

Mr Carter cuts off Iranian oil imports

75 ambassadors in Tehran were asked by a yesterday to back its demand for the Shah's rotation from America. As the American bassy occupation continued for its eighth day, President Carter hit back by halting all oil exports from Iran.

Tehran asks envoys to back anti-US line

Robert Fisk

Nov 12
The Revolutionary Council's only effective ruler of the country after the resignation of the interim Government took today a step which would crush any hope that diplomatic intervention would secure the release of the 100 hostages held by the American Embassy in an.

ambassadors of the 75 nations presented in Iran were called by the Foreign Ministry in an attempt to hear a statement from Mr. Abolmohsen Sadr, the newly appointed Minister. He then asked diplomats to support Iran's and for the former Shah's rotation from the United States.

nations will find it impossible to comply with this demand, which marked the end of the interim Government's efforts to bring about a settlement between the Americans and Ayatollah Khomeini's rule. Pope, the nine countries of the European Community, the Palestine Liberation Organisation have all tried to intervene successfully on behalf of the hostages held prisoner inside the walled compound just outside Tehran. The hostages completed their day of captivity today, only unaware of the move to free them but well to hear the changing of the guard outside the Embassy.

day long, several American Guards and several members of the Muslim organisations shouted slogans and sang hymns over the week. The most popular is "Down with the Shah". Down with the Shah", again generally taken up for seven minutes and then changed with shouts of "Down with the Shah". The scene outside the Embassy has a theatrical quality, the impression is perhaps fair one. The crowds are placed to catch television cameras, and the journalists are allowed, encouraged, to approach the Embassy and stare

through the black, wrought-iron gates of the compound. The hostages, locked in the main Embassy building, the men with their hands tied, cannot be seen, although students have spray-painted anti-American slogans on the roof of the reception block.

The students inside the compound, who came from Tehran's four universities, announced today that they were starting a five-day hunger strike as part of their demand for the Shah's rotation.

Mr. Sadr has been given wide publicity in the Iranian press. So has the long statement which Mr. Sadr made yesterday on the reasons for Iran's insistence that the Shah stand trial in Tehran.

The Western powers had put the Shah on trial at Nuremberg at the end of the war and described the Shah, whom the Americans were protecting, as the biggest criminal in the world.

The latest mediation effort came today from General Zia ul-Haq of Pakistan, who announced for the release of the 100 hostages, 60 of whom are American citizens.

Patrick Brogan writes from Washington: President Carter announced today that he had decided to suspend oil imports from Iran. The move is designed partly to forestall any embargo on Iranian oil exports to the United States, and partly to put pressure on the Iranians to release the Embassy hostages.

In a special television address, the President said he wanted to underline America's resolve not to bow to economic pressures from anywhere. Accordingly, he said, "I am ordering that we discontinue purchasing of any oil from Iran". The United States imports between 300,000 and 400,000 barrels of crude oil a day from Iran, about 3 per cent of its consumption. A roughly equal quantity of Iranian oil reaches America from other countries, where it is refined. Shah's health, and Iranian students accuse Mr Carter, page 8.

Carrington deadline for Rhodesia conference

By David Spenser

Diplomatic Correspondent
Lord Carrington, the Foreign Secretary, gave a blunt warning to the Rhodesian constitutional conference in London last night that "there must be agreement in the next day or two".

Although he stopped short of issuing an ultimatum, the clear implication of his deadline was that if the Patriotic Front guerrilla alliance cannot agree on the proposed interim proposals before elections in Zimbabwe Rhodesia, Britain will make a separate deal with Bishop Muzorewa, the Prime Minister. Legislation is already going through the House of Commons to appoint a British governor.

The warning given by Lord Carrington was greeted by some members of the Patriotic Front with sneering laughter according to some observers.

Mr Mugabe himself had just returned from a weekend visit to the Organisation of African Unity headquarters in Addis Ababa and is known to take a much harder line than his colleague, Mr Joshua Nkomo, who suggested yesterday that the outstanding difficulties could better be resolved in committee. An attempt will be made to try this today at the level of officials and legal advisers, but Lord Carrington is still insisting that agreement must be reached in a day or two.

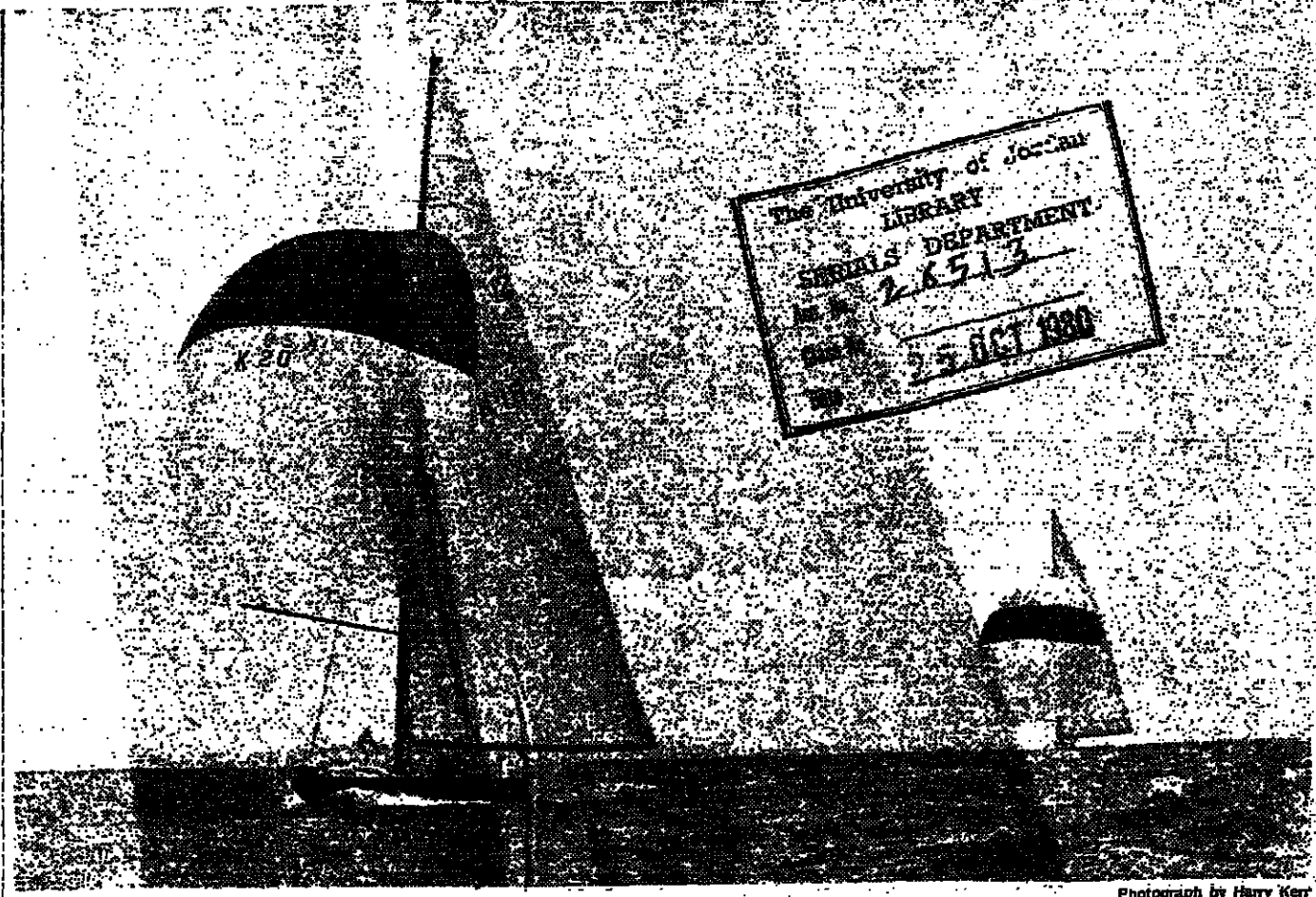
Mr Nkomo replied that he would be glad to see agreement in two hours, if that were possible, but the decisions taken must be right for Zimbabwe. Mr Mugabe did not speak.

Behind the latest rift in the conference, which is now entering its tenth week, lies the Patriotic Front's continuing mistrust of British motives. In a further effort to allay their doubts, Lord Carrington again emphasized yesterday the evenhandedness of Britain's proposals for the interim period in Rhodesia.

In the British judgment further delay in the conference puts the whole enterprise of a negotiated settlement at risk. The fear is that Bishop Muzorewa will lose the support which he needs in Rhodesia. Mr Nkomo, Parliamentary Correspondent, writes from Westminster: Labour MPs last night were fighting a lengthy but unfruitful rear-guard action intended to ensure that there should be no Rhodesia settlement without agreement by all parties represented at the constitutional conference.

As the committee stage of the Southern Rhodesia Bill opened with the Labour front bench promise that all stages in the Commons would be completed before the end of the sitting, Mr Alexander Lyon, Labour MP for York, voiced the Opposition's suspicion that the Government was heading for a settlement that would exclude the Patriotic Front.

The Bill makes provision for an independence constitution by Order in Council, to come into force when Southern Rhodesia has gained independence as the Republic of Zimbabwe. It also provides for elections. Patriotic Front increases forces, page 8.



Lionheart, the British entry for the America's Cup next year, leading Constellation, the back-up yacht, in trials on the Solent. (Fund short of target, page 4.)

Grim economic warning from Mrs Thatcher

By Fred Emery

Political Editor

In an attempt to stiffen resolve in the City and among the nation's business chiefs, Mrs Thatcher last night declared that her Government would "take whatever action is necessary to contain the growth of the money supply".

Giving a speech at the Lord Mayor's banquet at Guildhall, shortly before Thursday's official economic forecasts, the Prime Minister by her declaration of unflinching will came close to indirect confirmation that Minimum Lending Rate and other interest and mortgage rates will have to rise.

She had noted in passing that the power of governments to direct events was less than some politicians liked to think. But regarding the Government's commitment to combat inflation through monetarism there could be no doubts.

"The aim is to restore sound

money—a situation where the currency of the realm can be a store of value as well as a means of exchange.

"It is a Herculean task, but we are not faint-hearted. We will not be deflected by a stony path. Although they were for one month only, the recent bank lending figures were a serious disappointment. We shall take whatever action is necessary to contain the growth of the money supply. This Government, unlike so many of its predecessors, will face up to economic realities."

Mrs Thatcher was referring to October's substantial increase in bank lending, which probably indicates that the money supply growth targets of between 7 and 11 per cent are being exceeded despite the Government's best endeavours.

Mrs Thatcher, in one of the gloomiest statements she has made since taking office last May, described the difficulties facing Britain as "greater, per-

haps, than any faced in time of peace by Disraeli or Churchill".

She continued: "The world is wracked by economic confusion and inflation. There is the prospect of a growing energy crisis. The countries of the Third World aspire, legitimately, to improve their lot. New military technologies complicate the calculations of security. New civil technologies, such as the microprocessor, complicate the calculations of industrial management. New financial techniques complicate the calculations of economic and money management."

Mrs Thatcher said that with her main policies launched—she listed spending cuts, taxes, and the abolition of exchange control—it was clear that "there are many decisions ahead that will be hard for us to take".

Mrs Thatcher said that the search for security and prosperity would continue to be

guiding principles for British foreign policy, and she spoke of three issues requiring decision this year: Europe, Rhodesia, and modernizing Nato's weapons.

On the EEC budget Mrs Thatcher had the strongest of unspecific words. Britain could not go on any longer being Europe's most bountiful benefactor, through its excess of contributions over receipts; the EEC policies had to change and the change "put in hand soon". She said that Britain's EEC partners understood "the period ahead is not only a British interest but the future conduct of the Community itself".

The Prime Minister also exhorted her audience and beyond them, leaders in business and industry to help recreate the spirit of enterprise.

Jenkins warning on Dublin tactics, page 8; MLR set to rise, page 23.

Secret warning on strike plans ignored

By Peter Hennessy

Mrs Margaret Thatcher has ignored the recommendations of a secret report prepared for her while in opposition by Lord Carrington, that a Conservative Government should make detailed preparations to cope with strikes that threaten essential supplies and services.

Lord Carrington and his committee of former ministers and advisers told evidence in strict confidence from prominent businessmen and retired civil servants.

Their findings emphasized the need for senior ministers and the best available civil servants to plan, during periods of industrial quiet, particularly in summer, for November-April "strike season" contingencies.

The report, elements of which were disclosed in *The Times* on April 18, last year, suggested that it would not be sensible to engage in planning before a new Conservative Cabinet was in place with access to "the books".

It led to an expectation that the Thatcher Administration would commission the first thoroughgoing review of emergency arrangements since Lord Jellicoe, then Lord Privy Seal, and Sir John Hunt, then a Cabinet Office deputy secretary, reorganized the network, at the

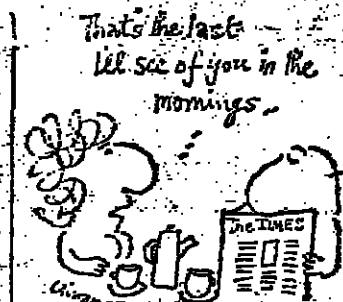
request of Mr Edward Heath, after the 1972 coal strike.

The Civil Contingencies Unit (CCU) of the Cabinet Office, offering Mr. Jellicoe-Hunt review, has been operating in a low key since last May. Ministers have been encouraged by Mrs Thatcher to prepare to combat Civil Service Strikes in areas where they are the direct employers. For the rest of the public sector, and the whole private sector, ministers have adopted a laissez faire attitude.

The report of the annual Civil Contingencies Review, prepared in August and September by a Cabinet Office team of Mr. Robert Wade-Gery, Mr. Richard Hastie-Smith and Brigadier Richard Bishop, reached Mrs Thatcher last month. It contained nothing dramatic.

In August and September officials were worried about possible coal and rail strikes. Meetings of the CCU, however, were confined to civil servants.

Late last month ministers became alarmed about the coal stocks. Mr William Whitelaw, Home Secretary, authorized meetings at official level to brood on the consequences of a coalfields dispute. The unit took the opportunity to review a wider spectrum of possible trouble. First of an eight-part series, page 4.



Unchanged but not unchanging

This is the first issue of *The Times* since publication was suspended on November 30 last year. We are glad to be back, and thank our readers, advertisers and newsmen for their patience and loyalty.

During the suspension much thought was given to ways of improving the paper, and this we hope to do in the coming months. Today, however, we return as we left, unchanged but not unchanging, in the belief that readers also prefer continuity.

A news review covering the main events and developments at home and abroad during the period of suspension will be published with tomorrow's issue. The first of a three-part obituary supplement will be published on Friday.

Because of staff shortages in the telephone sales department, advertisers are requested to forward classified copy in writing. We apologize for any inconvenience that may cause.

An interim solution was reached last night in an internal dispute that threatened regularity of the *Times* after the intervention of Mr. William Keys, chairman of the TUC Printing Industries Committee.

He called in leaders of the two unions involved, Mr. Joe Wade, general secretary of the National Graphical Association, and Mr. Edward O'Brien, assistant general secretary of the National Society of Operative Printers, Graphical and Media Personnel, for urgent talks on who should control new counter-stackers introduced by the company.

After six hours of talks a formula was agreed between the unions and the management that will ensure production of *The Times*.

A number of issues remain to be resolved about the operation of certain equipment in relation to production of the Sunday *Times*, and further meetings will take place. Discussions last night expressed their confidence that the issues would be resolved and that *The Sunday Times* would appear next Sunday.

Lord Amory ill

Lord Amory, Chancellor of the Exchequer from 1958 to 1960, was admitted to the National Heart Hospital in London last night after feeling unwell. His condition later was reported as serious.

Vatican and Henry VIII bridge their official rift

By Clifford Longley

Religious Affairs Correspondent

The Pope's official representative in London is being given diplomatic rights, including permanent diplomatic immunity, as the first step towards establishing full diplomatic relations between the Court of St. James's and the Holy See. The Foreign and Commonwealth Office said yesterday that immunity is about to be granted, and that the Apostolic Delegate to Britain, Archbishop Bruno Heim, is now regarded as a recognized diplomatic agent.

The British Government had previously considered that the historic breach between Henry VIII and the Papacy had put insuperable constitutional obstacles in the way of formal relations with the Vatican. There is considerable nervousness in government circles on the subject, but the unexpected popularity of Pope John Paul II has changed the climate.

Leaders of the Government, including the Prime Minister herself, the Foreign Secretary and the Lord Chancellor, are understood to favour a gradual normalization of relations, leading to an exchange of ambassadors.

The Holy See's representative in London would be called a pro-nuncio, rather than the more traditional nuncio, to avoid difficulties over precedence. Nuncios are accorded the status of lower of the diplomatic corps, while a pro-nuncio has no standing beyond ambassadorial rank.

Neither side has wished to take the initiative in announcing the new arrangement, preferring it to become known on the political or ecclesiastical "grapevine", and the Government is understandably anxious not to upset its new "low-key" explanatory talks with all sides in Northern Ireland.

The Foreign Office publicly puts a minimal interpretation on it, and is not keen for significance to be read into it. It is clearly a decision to which great symbolic meaning could be attached. One possible result of full relations with the Holy See would be an official visit by Pope John Paul II to Britain even as soon as next year.

Continued on page 4, col 5

Two men get 'life' for news boy's murder

Two men convicted of the murder of Carl Bridgewater, aged 13, a newspaper delivery boy, were sentenced at Stafford Crown Court yesterday to life imprisonment. Mr. Justice Drake recommended that James Robinson, aged 45, and Vincent Hickley, aged 25, both serve at least 25 years.

A 17-year-old in the dock with them was also found guilty of the boy's murder and ordered to be detained during her Majesty's pleasure. A fourth man, found guilty of manslaughter, was jailed for 12 years.

As the sentences were announced there were outbursts from the public gallery from relatives of some of the accused.

man who protested the innocence of the men in the dock. They were escorted from the court by police officers.

Michael Hickley, aged 17, was ordered to be detained during her Majesty's pleasure, and Patrick Molloy, aged 51, the only member of the gang who, the judge said, had shown a measure of remorse, was sentenced to 12 years for manslaughter.

Before sentencing the four, who were convicted by a jury on Friday, the judge said: "Your character and life style have gradually been revealed to this Court. It is an ugly picture which shows you to be dangerous, greedy and callous men."

Congratulations.
This calls
for a celebration.



Little hope of tax cuts, says Sir Geoffrey

Geoffrey Howe, the Chancellor, yesterday painted a gloomy picture for economy, which included a clear ruling that there will be little room for tax cuts in the spring Budget.

The recent policy of slowing money growth by reducing borrowing would take effect over cutting income tax, he said. The prospect of a rise to a record 12 in the Minimum Lending Rate yesterday as money market interest continued to rise sharply. The bank rate at one stage yesterday reached 16 per cent. Page 23.

Oil to raise prices

Oil is planning across-the-board price rises for its petrol and petroleum products. The size of the increases and when they would be implemented has not yet been decided, but it is likely to be before Christmas. Page 23.

O test may end

An experiment of having "worker-representatives" on the board of the Post Office Corporation should be abandoned, management have told a minister. But the unions have argued that the experiment in industrial democracy should continue. Page 2.

Afghan rebels suffer worst defeat of war

The Pathan tribesmen fighting a guerrilla war in eastern Afghanistan against the Moscow-backed Kabul regime have been decisively defeated in an offensive intended to dislodge them from their mountain strongholds before the start of winter. It was the worst defeat in the year-old war for the Muslim insurgents. Page 8.

Randall's good start

England, sent in to bat, were all out for 176 in their three-day match against Queensland, when bad light stopped play 40 minutes early. Queensland had scored 33 for two. Randall, who opened the innings with Boycott, scored 57. John Woodcock, page 20.

Papal hunger appeal

The Pope appealed to rich countries to adopt a more practical approach towards world hunger. Addressing the United Nations Food and Agriculture Organisation in Rome, he said that the problem could no longer be tackled by appeals in sentiment. Page 7.

Immigration fight

The Home Office's refusal to allow the Commission for Racial Equality to investigate its immigration procedures is to be challenged in the High Court. The decision, which could embarrass the Home Office, illustrates the stronger stance being taken. Page 2.

Fraud sets off purge on maritime crime

Measures to combat the rising level of maritime crime are expected after the uncovering of a big shipping fraud in the Mediterranean. A leading Greek lawyer and three other men have been arrested in connexion with the disappearance of a cargo valued at \$3m (about £1.5m). Page 23.

Kampuchean tragedy

Caught up in the vicious fighting between the Khmer Rouge and the Vietnamese, Kampuchea's hapless people are streaming across the Thai border. Hun Samay, once an accountant in Phnom Penh, reached safety after a four-month jungle trek. His story of brutality and death under Pol Pot is typical of the tribulation of his countrymen. Page 8.

Northern Ireland: British troops face longer tours of duty in Ulster

Nato: Defence Ministers of 11 nations to hold secret talks on nuclear weapons capable of reaching Russia. Page 7.

Summertime: Almost the whole of Europe will put the clocks on one hour next year

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

No cut in rate grant

The Government is to maintain its rate support grant at 21 per cent next financial year. It has also set aside more than £1,000m to cover the cost of comparable pay claims by local authority staff. Page 6.

Leader page 17

Letters: On giving Britain a fair deal in the EEC, from Mr Peter Jones, Merv and others; on the settlement at *The Times* from Lord Goodman, CH; and on retiring wards in hospitals, from Lord Hayter, and others.

Leading article: British productivity. Arts, page 15.

Neil Simon interviewed by Sheridan Morley; William Shaw and Irving Warrle on rock's opera and disco; John Russell Taylor on the Lawrence exhibition. Obituary, page 18.

Mr. Edward Ardizzone. Mile Nadia Sculanger.

Sport, pages 20-22.

Cricket: England struggle in first tour match; West Indies must race to collapse; Tourists Tough Wembley draw for Britons.

Business News, pages 23-29.

Stock markets: Last week's technical rally vanished amid fears of rising interest rates and the wisdom of Government economic policy. The FT index fell 7.9 to 413.0 and all edged suffered widespread losses.

Financial Editor: A market view; selling state assets after 20.

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

Home News 2, 4, 6
Business 23-29
Law Report 29
TV & Radio 31
Theatre, etc 31
25 Years Ago 31
Weather 31
Wills 31
Sport 20-23

"I arrived back at Heathrow to find 'The Times' unexpectedly waiting for me. I was less surprised to see the Volvo, though equally gratified, as my luggage had inevitably multiplied on my travels."

News
blame
tread

I had forgotten that 'The Times' was due to make its appearance on November 13th and seeing it at the airport news-stand had been rather like bumping into an old friend in an unexpected place.

I bought two copies, one as a souvenir, and looked forward to doing the crossword on my way into town.

Outside the terminal, Parker had somehow managed to persuade the traffic wardens that his Volvo had a divine right to park on a valuable yellow line.

It's strange how certain cars have this effect on officialdom. In my experience, the Volvo 264 GLE has few equals in this respect.

The boot was already open and I was pleased to see that the painting I had bought in New York fitted neatly in its carpeted depths. I remembered Parker telling me the boot was bigger than that of our last Mercedes.

Soon we were on the motorway and I settled back in the deep plush seat and watched the world slip quietly by.

"How did you find New York, sir?" I have always been convinced that good chauffeurs are born not made. I had often imagined Parker as a small child, assiduously polishing his pedal car and practising polite questions.

"Well actually the pilot did it for me." I couldn't resist teasing him.

If he was amused he showed no sign of it and merely said, "By the look of it, we shan't be needing the air conditioning sun roof today."

I had chosen the Volvo on Parker's recommendation and he took a continuing delight in mentioning its many built-in features.

I braced myself for further glowing tributes to the central locking system or the electrically operated door mirrors but surprisingly Parker remained as silent as the car.

I snuggled deeper into my seat and as the Volvo moved into the outside lane turned with keen anticipation to the crossword.

The compiler seemed to have lost none of his cunning during his enforced sabbatical and by the Chiswick roundabout I still had half the clues to solve.

Parker interrupted my thoughts. "We're running into it of traffic sir, I thought perhaps a slight detour?"

"Certainly," I said, "whatever you think necessary."

Not for the first time, I thought Parker had miscalculated as he swung the big car round into a very tight by-way.

He must have heard my slight intake of breath because

as the car straightened up and continued on its journey he quietly said -

"Nothing to worry about, sir. The Volvo has a very small turning circle - only slightly larger than a Mini's. And of course, power steering."

There are times, I confess, when evangelical fervour of any kind makes me apprehensive, and I was beginning to feel that, at any moment, Parker would produce a fountain pen and ask me to sign leasing papers for a whole fleet of Volvos.

I resisted saying anything, however, and concentrated instead on a particularly tricky anagram.

(Fortunately, the Volvo has the kind of suspension that makes thinking easy and writing legible.)



It took me another ten minutes to finish the crossword and when I looked up we were just passing the Albert Hall. I had recovered my good humour and felt slightly churlish at my silence.

"It's good to have 'The Times' crossword back" I said.

"Yes, I didn't find it too difficult sir." I could hear the smile in Parker's voice and I felt he deserved his revenge.

"Has the Chairman chosen his car yet?"

A conciliatory question that I knew would be accepted as such.

"I'm pleased to say he's considering one of these, sir. He is very impressed with the degree of refinement."

As if to emphasise the point, he slid down one of the electric windows as we turned into the cobbled courtyard.

"Not to mention the value" I murmured, anticipating the grilling I was likely to get over my American expenses.

"Well, £9,995 is not a lot to pay for an automatic, 6-cylinder car of this class." Parker had opened the door for me and I stepped out into the mews.

I stood still for a moment or two, quietly taking in the familiar scene.

"If you won't be needing the car for a while, sir, I'd like to give it a polish." Parker brought me suddenly back to earth.

I looked at the gleaming metallic paintwork and said "But it looks impeccable already."

"Perhaps, by American standards, sir."

It was good to be back.

The Volvo 264 GLE.

HOME NEWS

Some old grammar schools hope for art in aid scheme

Diana Gaddes

Education Correspondent

At least a dozen grammar schools, including some of the best and most respected in the country, are considering going independent despite the removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

The removal of any immediate threat of comprehensive reorganisation.

Whitehall brief: Secret unit whose judgments are vital during a winter of discontent

Keeping important services going despite strikes

By Peter Hennessy

At the official launching of her election manifesto on April 11, Mrs Margaret Thatcher was asked by a foreign journalist: "Do you think you have enough policemen, soldiers, whatever it takes, to have a confrontation with extremists on an issue of force?"

"I don't think we are quite on the same wavelength", came the brisk reply. The general laughter which greeted it was led by her deputy, Mr William Whitelaw, seated beside her.

Just over three weeks later Mrs Thatcher entered Downing Street and inherited one of the most secret parts of the Cabinet Office machine, the Civil Contingencies Unit (CCU), whose antennas are permanently tuned to that wavelength. Shortly after, she appointed Mr Whitelaw its ministerial overlord. The CCU is a standing Cabinet committee of ministers and civil servants. Its task is to brief the Prime Minister and full Cabinet in advance on the best methods of maintaining essential supplies and services should they be disrupted by industrial action. Once a strike has begun it meets, often several times a day, to plan the Government's reaction to developments.

Its work goes to the heart of the question of the country's vulnerability. In a decade that has seen two Cabinets, those of Mr Edward Heath and Mr James Callaghan, founder in a winter of discontent. Judgments made inside the CCU have proved critical to any government's ability to survive. Despite the central importance of sound contingency planning for the well-being of every citizen, successive governments have refused to take the public into their confidence about their ability, or lack of it, to cope with trade unions enjoying the

power to turn off the necessities of life. The present Cabinet maintains that tradition. Mr Whitelaw, in refusing a request for an interview, wrote to me on September 12. "I do not think it would be fair or sensible of me to take up your time when there is so very little I can say on the matter".

Under the Government's proposed Protection of Information Bill, disclosure of "plans and measures for the maintenance of essential supplies and services, whether in time of war or not", will be a criminal offence.

The CCU was established in the spring of 1972 after the existing Emergency Committee had failed miserably in preparing the Government for the consequences of the miners' strike of January-February that year, and, particularly, the quantum leap in union power demonstrated by the successful second strike outside the Selsley coke depot in Birmingham. The new streamlined organisation was the chief result of a review, conducted for Mr Heath by Lord Jellicoe, then Lord Privy Seal, and Sir John Hunt, then a Cabinet Office deputy secretary.

During the rest of 1972 Brigadier Richard Bishop, CCU secretary throughout its seven-year life, drew up a list of vital services and industries most vulnerable to union action. By early 1973 ministers had a winter of discontent. Judgments made inside the CCU have proved critical to any government's ability to survive. Despite the central importance of sound contingency planning for the well-being of every citizen, successive governments have refused to take the public into their confidence about their ability, or lack of it, to cope with trade unions enjoying the



Mr Robert Wade-Gery, the Cabinet Office's chief contingency planner.

somewhat higher than the six-month place it occupied in 1972. Water, always in the top ten, has moved up to join docks, coal, rail and oil in the group just beneath power, now that the difficulty of its labour force cannot be taken for granted.

The best way to illustrate how the CCU fulfils its intelligence and executive functions is to construct, in advance, what is likely to happen next month if the Government, for the third year running, has to prepare to break a petrol tanker drivers' strike. The unit will meet several weeks ahead of the possible strike, as a civil servants' strike of industry. Mr Robert Wade-Gery of the Cabinet Office will open the meeting from the chair by summarizing the contents of the file labelled "Operation Drumstick". It should be possible to

maintain about 25 per cent of normal supplies of petrol and oil, he will explain, provided a state of emergency is declared.

Reasoning introduced and the Royal Corps of Transport requisitions oil company vehicles because the Army does not have enough of its own.

He will then invite Mr Ian Hudson and Mr Matthew Wake from the Department of Employment to give the latest intelligence on the position inside the relevant section of the Transport and General Workers' Union. Mr Peter Lazarus, of the Department of Transport, will explain the Department's rationing scheme and the priority to be given to public transport and essential users like the emergency services. Mr Robert Fiddle, from the Department of Energy, will convey the oil companies' readiness to co-operate with the Government. The Ministry of Defence team, Mr Derek Stephen, Mr Brian Cousins and Brigadier Michael Tillotson, will list the number of troops needed: 5,000 in the north, 10,000 in the south, and 10,000 in the west. Mr Stephen will be trained to handle pumps and pipes at the Army's West Moors petroleum centre in Dorset. At least 18 days' notice will be required to get the men back from Germany and through West Moors, particularly if the run-up to the strike spans the Christmas holiday.

With Mr Noel Law of the Home Office, the Ministry of Defence men will emphasize the need to impress upon chief constables their responsibility for securing the safe passage of men and cars as they are driven out of company depots to Army barracks and emergency distribution centres. At this point the needs of special interest groups will be raised. Mr Leo Hanson, from the

Ministry of Agriculture, might appeal for farmers to be given preferential treatment.

David Neville-Jones, from the Department of Industry, could speak up for companies requiring oil to maintain continuous production processes.

Summing up, Mr Wade-Gery will emphasize the need for an urgent meeting of ministers to authorize the drafting of emergency regulations and the proclamation of a state of emergency. Before ministers gather, a handful of officials will receive a special briefing from MIS on the origins of the possible strike, whether a small group of extremists is manipulating the mass or whether it is a scratch "pay and conditions" affair. Invariably, the evidence points to the latter.

A joint meeting of ministers and civil servants, under Mr Whitelaw's chairmanship, will then prepare recommendations for the full Cabinet. Should the strike materialize, CCU will meet each afternoon to collate reports from the Department of Transport's regional emergency committees and react to events until the strike is ended.

If Mrs Thatcher feels that a purely ministerial forum is necessary to take political decisions arising from the dispute, she may initiate Mr Callaghan by setting up an equivalent of the secret ad hoc committee, known as "CEN 153", which he established during the winter crisis of January-March this year. In that case, CCU would meet separately as a mixed committee with Mr Wade-Gery and Brigadier Bishop the only civil servants present at the ministerial group. Once the strike is settled, lessons will be noted for future use and Brigadier Bishop will amend his "Operation Drumstick" file accordingly.

Yacht race challenge fund short of target

By Trevor Fishlock

The fund set up to back Britain's 1980 challenge to the America's Cup is more than £300,000 short of its £600,000 target. But Mr Tony Ken, the fund's chairman, said yesterday that the challenge was in jeopardy.

"It is true we need a lot more money. Without it we go off at half-cock", he said. "I am confident we shall, in any case, I am determined to go. We have one of the best chances of winning we have had."

A lack of money has led the original scale of the fund.

The backers, the British Yacht Club, hope to raise £1.5m by attracting 100 yachtsmen, each contributing £15,000. The intention was to finance the building of 12-metre yachts to compete with each other in the race for the best combination of boat, crew, gear, sails and handling techniques.

But there was never enough money for the two-hundred-tonne project. Mr Ken, a Leyland businessman, and a leading 12-metre yachtsman for years, put almost £200,000 to the challenge; but only 100 companies have joined to date and it has been decided to build the boats.

"Through membership subscriptions and other gifts we have raised half the money needed", Mr Ken said. "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

The fund's chairman, said yesterday, "I am now working to raise the other half."

SAS. FOR EVERYONE WHO WANTS TO FLY TO SCANDINAVIA.

AARHUS
BERGEN
COPENHAGEN
GOTHENBURG
OSLO
STAVANGER
STOCKHOLM

AND EVERYONE WHO DOESN'T.

AMSTERDAM
ANCHORAGE
ATHENS
BAGHDAD
BANGKOK
BARBADOS
BARCELONA
BASLE
BEIRUT
BELGRADE
BERLIN
BRUSSELS
BUDAPEST
BUENOS AIRES
CAIRO
CALCUTTA
CHICAGO
DAMASCUS
DAR ES SALAAM
DELHI
DUSSELDORF
FRANKFURT
GENEVA
HAMBURG
HELSINKI
ISTANBUL
JEDDAH
JOHANNESBURG
KARACHI
KUWAIT
LAGOS
LEIPZIG
LENINGRAD
LISBON
LOS ANGELES
MADRID
MANILA
MILAN
MONTEVIDEO
MONTREAL
MOSCOW
MUNICH
NAIROBI
NEW YORK
NICE
PARIS
PORT OF SPAIN
PRAGUE
RIO DE JANEIRO
ROME
SAO PAULO
SEATTLE
SINGAPORE
STUTTGART
TEHRAN
TEL AVIV
TOKYO
VIENNA
WARSAW
ZAGREB
ZURICH

As you'd expect, SAS provides an unrivalled service to Scandinavia. 97 flights a week, to 7 cities. Return fares start at only £77.50 (subject to APEX fare conditions). Somewhat unexpected, perhaps, is the extent of our services elsewhere. SAS fly to North and South America, Asia, Africa and the Far East. And there's our special Business Class available on numerous long haul flights.

So you can experience SAS service, even if you're not flying simply to Scandinavia.

SAS
SCANDINAVIAN AIRLINES

Poor local response to Elgar statue call

From Penny Symon

Worcester

An appeal for £25,000 to erect a statue of Sir Edward Elgar in Worcester, his birthplace, has met a disappointing response locally.

Half the required sum has been raised, but most of that has come from outside the Midlands. The organizers are to launch a campaign among local traders and industry.

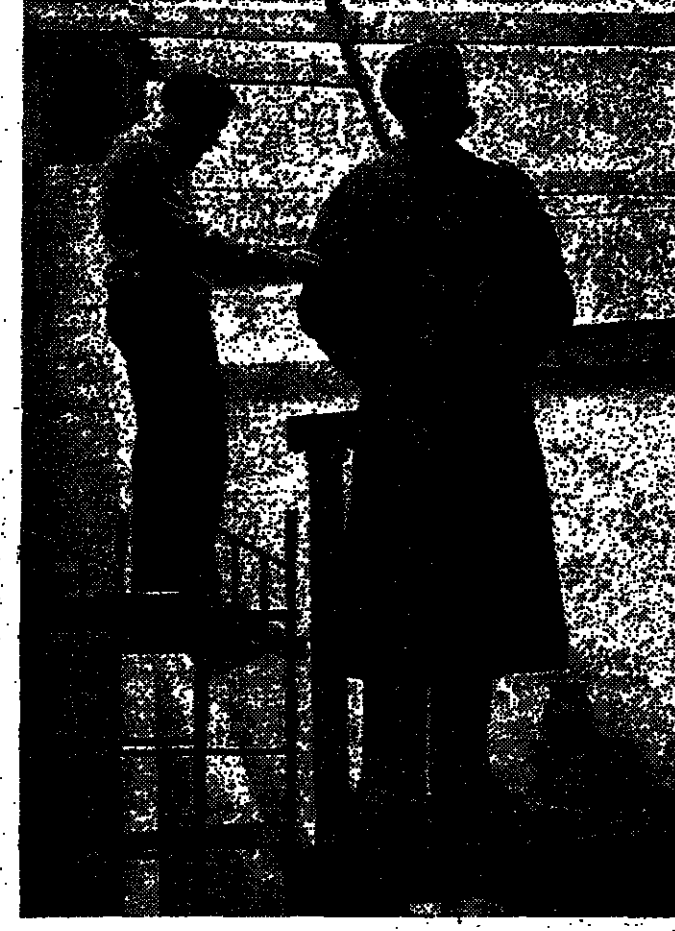
The Elgar Statue Appeal has been set up by the Prince of Wales as president. His letter of acceptance said: "We in Britain have been fairly proficient in erecting statues to soldiers, politicians and monarchs, but have tended to ignore our great composers."

"In the case of Elgar, even though his genius lives on as a memorial through his music, acting as an influence for good, it still seems right to me that we should attempt to honour the memory of a great creative individual within his home town."

Mr David Hawkins, the appeal's secretary, who was born in the house next door to Elgar's Worcester home said: "The money is coming in fast and strong. It is very impressive at the moment, but I am sure that we shall raise the £25,000. We have had collections in schools, and several anonymous donations of £100."

The Elgar Foundation has given £1,000 and Worcester City and county council £500 each.

The appeal's impressive list of vice-presidents includes Sir Adrian Boult, Sir John Benjamin, Sir Charles Groves, Dr Herbert Howells, Yehudi Menuhin, J. B. Priestley, Sir William Walton and Malcolm Williamson.



Mr Kenneth Potts, the sculptor, at work on the statue of Sir Edward Elgar in his studio at Worcester.

Miss Mary Elgar, the composer's great-niece, is writing to as many contributors as possible. The son of Elgar's millman sent £150; another donation came "from one whose identity was preserved during the war years by listening to Elgar's masterpieces".

Work on the 7ft statue of Elgar at the age of 54, wearing academic robes, is well advanced. The sculptor, Mr Kenneth Potts, lived for a time in the house in Britannia Square where Elgar first went to school in 1853.

The chosen site is in the High Street near the spot where Elgar's father kept a music shop and where the composer studied scores and instruments as a boy.

"We plan to unveil the statue just before the Three Choirs Festival is held in Worcester in the summer of 1981", Mr Hawkins said.

"Some people may say that Elgar does not need a statue, but we disagree. Shakespeare's plays are on our stages but his statue at Stratford is a visible reminder of a great man who was born in the town."

Censors propose new category for sex films

By Martin Huckerby

WEST EUROPE

Pope calls for use of new methods in tackling world hunger

From Peter Nichols
Rome, Nov 12

The Pope called today for a new model of development for dealing with the problem of hunger in the world which he described as one of the most serious dangers to peace.

He was addressing 1,500 delegates representing 146 countries at the Rome conference of the United Nations Food and Agriculture Organisation.

Too many people were still suffering from hunger and malnutrition, he said, and the difficulties could no longer be overcome by appeals to sentiment or by sporadic and ineffectual outbursts of indignation. The times were over when the right of everyone to a decent standard of living could be met by gifts of surplus foodstuffs from the rich countries or by programmes of urgent aid formulated to meet exceptional cases.

It is just a month since the Pope addressed the General Assembly of the United Nations in New York and a matter of days since he called together the whole Sacred College of Cardinals to discuss with him the problems of the Roman Catholic Church.

Cardinal Sinigaglia, the retiring Belgian Primate, who was at the meeting of the Sacred College, summed up the principal theme of the papacy under Pope John Paul II as being to represent "the voice of the human conscience" and it was distinctly in this role that the Pope spoke today.

He called on the rich countries to face the problem of hunger with rapid and concrete methods. It was necessary to recognize, he said, that hunger in the world did not derive only from unfavourable geographical, climatic and agricultural circumstances, but in many cases from man himself.

He drew attention to the deficiencies in the organization of society which blocked individual enterprise, in certain ideological systems, to the policy of terror, oppression and inhuman practices. The new model of development had to satisfy the truly fundamental human needs.

Since he came to the throne little more than a year ago, the Pope's strongest plea has concerned human rights. His New York speech to the United Nations turned largely on the subject. His premise was that every human being is endowed with a dignity that must never be lessened, impaired or destroyed but must instead be respected and safeguarded, if peace is really to be built up.

In his more detailed list of what constituted the more important of the universal

recognized human rights, he placed food immediately after the right to life and the liberty and security of the person.

In his speech today, he attempted to devise a working compromise between planning and individual freedom while rejecting what he described as the "artificial needs on which economies were based."

He saw these artificial needs as provoked in part and constantly augmented by publicity, by the requirements of the market and by the positions of force taken up by sectors within the economy, within finance and politics.

It was necessary, he said, to foresee and combat the dangerous consequences for man which could emerge from certain technical and economic solutions. He called for the greater efforts to be made to obtain the free and responsible participation of men in the decisions taken for growth in the communities in which they lived.

He ended his speech with the statement that the earth belonged to man, to all men, and so to the generations which will follow us to whom we must hand it over, habitable and fertile.

The Pope's stand on human rights is in strong contrast to the role of a strict disciplinarian which he has adopted within the church.

His continued refusal to allow priests who feel they no longer have a vocation to give up the priesthood is now reaching serious proportions.

The number of requests is estimated at about 5,000 (though some put the figure at 7,000) and one exceptionally gifted cardinal in the Curia is known to be thinking of resigning because of this issue and the Pope's disciplinary methods in general.

The Curia, the church's central administration, as a whole is suffering from the Pope's somewhat haphazard manner of conducting business. He makes surprisingly little use of the administrative machine.

The meeting of the cardinals last week hardly helped the estimated budget deficit of the church administration in the current year. The figure was 17,000 lire (nearly £10m) and the deficit is expected to be larger next year.

The cardinals were asked to make proposals for reducing the deficit and the Curia was a favourite target.

Conservatives on the other hand thought that cuts should be made by doing away with the new bodies which arose from the Vatican Council such as the Secretariat for Christian Unity.

Plans for stationing 572 new US nuclear weapons in Europe are worrying some governments

Nato faces crucial missile decision

From Henry Sembope
Defence Correspondent,
The Hague, Nov 12

The Defence Ministers of 11 Nato nations will meet here tomorrow for secret discussions on one of the most important issues to face the alliance for more than a decade.

The Ministers, all members of Nato's Nuclear Planning Group (NPG), will discuss before them a proposal to station in West Europe 572 new long-range theatre nuclear weapons, capable of reaching the Soviet Union.

At present Nato has 55 SS-160 nuclear missiles and 170 American F-111s in this category, but the F-111s are due to be phased out in a few years. Even the F-111s depend on airfields which would be vulnerable in wartime and on their ability to penetrate Soviet air defence networks.

Strategists have long argued the case for modernizing these theatre nuclear forces (TNF), if only to make the policy of flexible response look more credible. These arguments have been reinforced recently by Russia's introduction of improved TNF and the need to counter them.

The new Soviet TNF are the Backfire supersonic bomber and the SS-20 mobile missile, which are augmenting per-

haps in time replacing older equipment like the Badger and Blinder medium-range bombers and the SS-4 and SS-5 land-based missiles.

The Backfire is not only faster than its predecessors but has one-third greater range than the Blinder and more than twice that of the Badger. The SS-20 is not only mobile and therefore less vulnerable, but has three independent warheads, each three times more accurate than the SS-5 and six times more so than the SS-4.

The Russians have about 60 SS-20s and 40 Backfires deployed in the European theatre, as well as 350 of the older bombers and 450 of the SS-4 and SS-5 missiles. But Nato believes the number of SS-20s could rise to 200 and the Backfires to 100 by the mid-1980s, with no guarantee that the older systems would be phased out.

A Nato committee called the High Level Group was formed after the London summit meeting two years ago, and it is responsible for the proposal for a Nato counter-force, which the NPG will discuss tomorrow and Wednesday.

The detailed plan is for 108 Pershing-2 mobile missiles and 464 ground-launched Cruise missiles to be stationed in West Europe within the next three years. The United States would pay for them and man them, though the cost of building bases would be met from Nato's

common fund, and the host countries would provide for their security. The cost is expected to be \$3,500m (about £1,500m).

The problems arise over where to base the TNF. The Pershing-2 missiles, which have a range of about 1,600 miles, would have to be stationed in West Germany to reach their targets. The Cruise missiles, which can fly more than 1,500 miles, could be based in Britain, Italy, Holland or Belgium.

While Britain will almost certainly make two or three airfields in East Anglia available, some of the other countries, particularly Holland, have been hesitating. They fear that having American nuclear weapons on their soil would make them prime targets if war broke out.

There is growing confidence in Nato, however, over this week's meeting of the NPG, a positive decision will be reached at the meetings of the Defence Planning Committee and Nato Council at Brussels next month.

Mr Brezhnev's alarm is interpreted in Nato as a vindication of the TNF programme. The alliance is already thinking of involving TNF, which could form part of the next round of Strategic Arms Limitation Talks (Salt 2).

But Nato wants to negotiate from a position of strength, which is perhaps the most important reason why the TNF proposals should be accepted.

Europe's MPs tired of nomadic life

From David Wood
Strasbourg, Nov 12

The European Parliament, directly elected last June, continues in Strasbourg this week to test its strength against the Council of Ministers in the probably fond hope that it will succeed where the old nominated Parliament failed.

Not least, many of the new MPs, particularly the British Conservatives and Socialists, have reopened the campaign on where the European Parliament should live and have its being.

Tomorrow, Miss Ann Clywd, Socialist member for Mid and West Wales, will ask Mr Roy Jenkins, the President of the Commission, how much money would be saved annually "if all meetings of all Community institutions were held in Brussels and all staff of all Community institutions were based in that city".

Mr Jenkins, who wants the European Parliament to be the abode of the horse traders' deal by which Luxembourg shares the plenary sessions. Brussels is content to be the centre for parliamentary committee meetings and the headquarters of some parliamentary groups and the Commission.

The cost of running a nomadic Parliament involving the monthly transport of staff and documents is high. But that is not the only British complaint. Strasbourg, where all plenary sessions must be held until Luxembourg has a new building large enough to sit 410 MPs and their auxiliaries, has nearly every virtue except direct flights from Heathrow.

In fact the 1980 budget appropriations for the Parliament's rent are doubled on 1979. British Conservatives (now a 64-strong group) named European Democrats have taken new heart from the legal judgment of Mr Alan Tyrrell, QC, that the Council of Ministers' powers to fix the parliamentary site under Article 216 of the Rome Treaty can be circumvented.

Mr Tyrrell reasons that though the member states of the Nine have the right to fix the sitting place by common accord, the Parliament can choose its own working place. He says in round terms: "We have both the legal right and the moral duty to settle for ourselves a single working place."

While that argument takes its course, the Parliament today began revising its procedure to adjust to its new conformation.

Four divers drown

Marseilles, Nov 12—Four divers, three Frenchmen and an African from the Ivory Coast, drowned while carrying out oil prospecting work off Ghana over the weekend.

after direct elections. An electronic system of voting has been recommended by the procedure committee, with Mr Hans Nord, the Parliament's former secretary-general and now a Dutch Liberal MP, as a formidable rapporteur.

Michael Horasby writes from Brussels: Britain's hopes of eliminating or very substantially reducing its large net payment to the EEC budget appear to be fading fast. It now looks unlikely that Mrs Margaret Thatcher will be able to secure the agreement of other EEC member states to reduce the British deficit by more than £300m to £400m at most when the Prime Minister meets fellow heads of government at the EEC summit in Dublin on November 29 and 30.

This compares with the £1,200m deficit which Britain expects to suffer next year, and which Mrs Thatcher has said should be eliminated. West German sources have made clear, however, that even the Bonn Government, which is the most sympathetic to the British case, is not prepared to go beyond relatively minor revisions to the present mechanism for allocating excessive budget contributions.

The German sources say that Bonn is not prepared to imperil its relations with Paris in order to give Mrs Thatcher what she wants. They argue that Britain must look beyond immediate relief to medium-term remedies—such as a larger share of EEC funds to promote the development of backward regions—to improve its budget position.

There is also a strong hint from the Germans that if Mrs Thatcher wants more than this she will have to be prepared to offer concessions in other areas such as fisheries.

The European Commission is under intense pressure from most member states (though not Britain) to produce a specific proposal in time for the Dublin summit, and Mr Roy Jenkins, the Commission President, has accepted that he must do this.

The balance of opinion within the Commission is that a majority is likely to be found only for a solution at the lower end of the Commission's current range of options.

As the Dublin prospects grow bleaker, there are signs that the British are ready to take an increasingly intransigent line in other areas as a way of putting pressure on their Community partners.

Strike stops flights

Paris, November 12—Air traffic has been seriously disrupted at Paris-Orly airport by a traffic controllers' strike. Several dozen take-offs and landings have been cancelled.

Continent decides to clock on together

From Patricia Clough
Bonn, Nov 12

Spurred on partly by the need to save energy, almost the whole of Europe, from the Atlantic to the Soviet border, expected to put its clocks forward one hour for the summer months next year.

Most of the continental members of the European Community, Austria, and Greece will synchronize their change-over dates, on April 6 and September 24.

Spain, Sweden and Denmark have still not officially decided, but are thought likely to follow suit.

But the March-April and September-October periods will be trying times for airlines, railways, and travellers because Britain, Portugal, Malta and several Eastern European countries will change over on different dates.

Officials in Bonn expect increasing pressure to achieve a standardized European summertime. The biggest step towards common summertime was made quietly last month when East Germany unexpectedly announced that it would put its clocks forward next summer.

Efforts to reach a unified summertime among the EEC countries had been held up by West Germany's reluctance to be on a different time from East Germany. It would have created, the Government felt, a further psychological barrier between the two halves of Germany and cause considerable practical difficulties, particularly in the divided city of Berlin.

As soon as the East German announcement was made the West German Government said it would go ahead with summertime next year.

East Germany's decision appears to have been prompted partly by the fact that Poland, Czechoslovakia, Bulgaria and Romania have already opted for summertime, although with varying dates for the change-over. Hungary and Yugoslavia are still undecided.

The saving in fuel, which is in fact marginal, is believed to be only one reason for the communist countries' decision. Diplomats in Bonn say the desire to align themselves with these countries feel intensely European and are happy to collaborate on smaller non-political matters. One example cited is the adoption of European route numbering on their main highways.

One odd country out will be Switzerland which voted against summertime in a referendum last year and is constitutionally unable to do anything about it for another two or three years. Norway and Finland have no summertime plans as yet, officials say in Bonn.

Press freedom 'diminished in Britain'

By a Staff Reporter

Press freedoms were diminished in Britain while newspapers which had been using tactics which had been used in the past for nearly two centuries were silenced, Sir Denis Hamilton, chairman and editor-in-chief of Times Newspapers Ltd, said in Stockholm last night.

Sir Denis was speaking as chairman of Reuters news agency at a dinner given by the Swedish Government in honour of the Reuters board and the directors of the news agencies of Sweden, Norway, Finland and Denmark.

He said it was newspapers which won the freedoms now enjoyed by broadcasting. "But newspapers will go down to broadcasting unless they can take advantage of the flexibility and the saving which new ways of printing offer them. There is freedom from unreliability."

"The new deal at Times Newspapers goes a long way towards resolving these problems," Sir Denis added.

Spanish police search for kidnapped politician

From Harry Debelius
Madrid, Nov 12

A nationwide search continued today for a prominent Spanish MP, kidnapped during a weekend of terrorist violence.

Señor Javier Ruperez, chief spokesman of the ruling Centre Democratic Union and a career diplomat, disappeared yesterday morning while on his way from his home in central Madrid to a hotel on the outskirts, where he was to attend the closing session of a congress of delegates from centre parties from Latin America and Spain.

His car was found about 24 hours later hidden in underground in a Madrid park. The police are working on the theory that the kidnapping was the work of either the Basque separatist organisation ETA or some South American extremist movement.

Another leading member of the Centre Democratic Union, Señor Gabriel Cisneros, was seriously wounded by gunfire in an unsuccessful ETA kidnapping attempt earlier this year.

In other developments yesterday, two Civil Guard policemen were badly hurt when they were machine-gunned from a passing car outside a police barracks in the Basque town of Salvatierra. A pro-ETA town councillor was shot dead shortly afterwards by police who said he failed to stop his car at a roadblock.

A forest warden was shot dead by suspected Basque activists today in a bar in Oyarzun, near San Sebastián. In Sanzard, a zone raided the workshop of company supplying materials for a controversial nuclear power plant at Lemona, near Bilbao. They set off explosive charges which caused damage estimated at £2.9m.

Welcome back to the management, staff and readers of The Times from Dorland Advertising and its clients.

Agfa-Gevaert Ltd
Allied Bakeries
Allied Suppliers (Lipton's)
Argos Distributors
Bass Ltd
BL Cars Ltd
Buchanan Booth's Agencies
H.P. Bulmer
Butter Information Council

Cadbury Schweppes Ltd
Castrol
Caterpillar Overseas S.A.
Cathay-Pacific
NOW! Magazine
COL/Dept of Industry
Courtenay Wines (Dubonnet)
Danepak
Dreamland Group

Dunlop Semtex
George Payne Ltd
Green Shield
H.J. Heinz Co. Ltd
Hewlett-Packard Ltd
Lucas
National Savings Bank
Phoenix Assurance
The Post Office

Robinsons of Chesterfield
Rolls-Royce Motors
Shulton (Old Spice)
Smiths Food Group
Toshiba (VCR)
Trade Indemnity
Verbisko
Warner-Lambert
W.D. & H.O. Wills

Let the good Times roll.

Dorland

DORLAND ADVERTISING LTD.
121-141 WESTBOURNE TERRACE, LONDON W2 6SP
TELEPHONE 01-262 5077, TELEX 27674

WEST EUROPE

Jenkins warning to Mrs Thatcher on tactics at Dublin

By Michael Hornsby
Dublin, Nov 12

Mrs Margaret Thatcher would be making a mistake if she were to pursue a strategy of "all or nothing" when she goes to the EC summit meeting in Dublin at the end of this month to seek the help of other members in cutting back Britain's high net payments to the Community budget.

This is the advice given to Prime Minister by Mr Roy Jenkins, the President of the European Commission, in an interview. "It is desirable that such a move should be made at one particular meeting," he said.

Mr Jenkins's remarks come in the wake of Mrs Thatcher's statement in Dublin on bringing Britain's budget payments and receipts into "broad balance", and will not be prepared to settle for much less.

The warning from Mr Jenkins comes after Mrs Thatcher's explicit private admission last month from the West Germans to Mrs Thatcher that if she insists on an immediate reduction of the British deficit, the EC would have to consider the possibility of a new round of negotiations.

Mr Jenkins made clear, however, that he believed Mrs Thatcher was justified in looking for a substantial measure of relief now and could not be expected to wait until changes in the Community's spending priorities and other longer-term factors brought about more favourable budget balance for Britain.

"There has to be a solution, or at least an approach to a solution, made within a reasonable time," Mr Jenkins said. "We hope to change some of those circumstances, such as the predominance of agricultural expenditure, which is not helpful to Britain, in the future, but that is not something we are going to be able to do at Dublin."

"Very considerable progress has been made over the past few months in the other eight countries that there really is a British problem, and a fairly major one."

Mr Jenkins allowed, however, that "some of them appear to be more in need of reference to the work still to be done in convincing, for example, the French and the Danes."

Despite accusations from some quarters of loss of nerve by the Commission, Mr Jenkins was adamant that he and his colleagues had been right not to put forward a specific proposal at this stage and to limit themselves instead to suggesting a range of possible methods for meeting the British difficulty.

There had first to be "some idea of the sums of money you can approach and the methods of achieving it, and also get some idea of what is a realistic approach to a settlement," Mr Jenkins believed. "We would then be prepared to make a proposal." The aim would be to meet British objectives as fast as possible without doing damage to Community policies.

The Commission, Mr Jenkins said, intended to make a more specific proposal in time for the Dublin summit. Had it done so earlier, it would have played its part in the early and not in the late stages of the debate on the European Council (summit) in Dublin.

Mr Jenkins had some words of caution for those countries such as Britain and West Germany which have threatened to veto any increase in EEC budget revenue, when present resources run out, as a way of forcing the rest of the EEC to agree to changes in spending priorities, with special emphasis being put in particular on agriculture.

It was probably inevitable, Mr Jenkins thought, that some governments would hold the line for a time "on any revenue increase until they could see 'substantial progress' to

wards a better balance of budgetary expenditure. But it would be 'highly damaging' for the development of the Community to stick to the one per cent ceiling."

(The reference here was to the one per cent limit on the fraction of value-added tax levied on common goods that member-states are required to hand over to Brussels to finance the Community budget. On current spending trends, that limit will certainly be reached in 1981 and then the ceiling will be raised by unanimous decision of member governments.)

Putting a ceiling on budget revenue, Mr Jenkins suggested, would be rather like letting a room fill with water until you could not get any more in. That was certainly one way of controlling water consumption, but you tended to drown everyone in the room in the process.

Agricultural spending might be curbed, but many other desirable policies could be destroyed as well. "I have absolutely no doubt that if the Community is to develop effectively, and to put muscle behind a whole range of Community policies, and not merely those most often cited, such as social and regional funds, but also industrial and energy policy, we will need over a period far more resources than the 1 per cent can give us."

Mr Jenkins also saw a particular danger for Britain in resisting too rigidly any increase in the revenue base. The cost of any mechanism to do this would be too high, he said, to be worth the effort.

Mr Jenkins hoped that membership would agree on a phased reduction of the percentage of the budget going on agriculture along lines suggested by the Italian, French and German proposals for budget revenue to hit the 1 per cent VAT ceiling. Even without current British problems, it would be essential to reduce the excessive weight of agriculture on the budget.

Mr Jenkins drew a general lesson: "We are very inclined in Britain not to be at the beginning, generally through fear of the unknown, but to complain later on the actual merits of the issue than the legitimacy—that the policy, the institution or the system is not what we need."

He added: "We really are asking for difficulties of this sort if we miss the opportunity to be in at the formative stage. It was a great pity and a great mistake that Britain by not playing a full part in the setting-up of the new European Monetary System last March, had for the third time missed being 'in at the creation' as early as the time of the establishment of the Coal and Steel Community and then of the EEC itself."

He hoped for "the earliest possible favourable decision" by Britain on EMS membership and could no longer see any sensible argument for staying outside. Exchange rates could be adjusted periodically within the system, "so fears about the pound's being locked in at an unrealistic rate were being found to be an excuse for postponing a decision."

Mr Jenkins was confident that over time—say five to 10 years—currency stability would be seen to have contributed substantially to a recovery of economic growth in the EEC. The EMS was still too young to permit a decisive judgment about its efficacy, but it was a fact that this year the EEC had grown faster than the United States economically for the first time in several years.

It was important, however, that the EEC should not rest content with its present position but press on over a reasonable period of time to the goal of full monetary union. Mr Jenkins hoped that the budget problem could be got under control and the debate on the next stage of the EMS "reactivated fairly early in 1980."

Another absolutely crucial objective for the EEC had to be to break the link between petroleum consumption and economic growth and to keep pace with the accelerating revolution in computer and micro processing technology.

There was a real danger otherwise that the EEC would be squeezed between the emerging world and the advanced economies of Japan and America, and end up as "second-class industrial citizens" in the 1990s.

and chairman of the 15-member international committee which met in Athens over the weekend.

The Athens prize was awarded to the European Parliament, in the person of Mme Verli, in recognition of the role played by the European Community in promoting mutual understanding between peoples and the respect of human rights.

The Olympic prize was given to the British Acropolis Appeal Committee, in the person of Mr Macmillan.

Mr Macmillan wins award

From Our Correspondent
Athens, Nov 12

The Alexander Onassis Foundation has announced the award of two new international prizes of \$100,000 (£50,000) each, to Mme Simone Veil, the French President of the European Parliament, and to Mr Harold Macmillan, the former Prime Minister, as president of the British Acropolis Appeal Committee.

The announcement was made by Mr Michael Stassinopoulos, the former Greek President

OVERSEAS

Kampuchean refugee's silent grief for child

From Peter Hazelhurst
Phnom Penh, on the border of Kampuchea

Huo Savary, once an accountant in Phnom Penh, and his wife staggered across the border into Thailand last morning looking like inmates of Auschwitz.

They came through the jungle, like two skeletons covered with skin and in his arms Mr Huo carried the dwarf-like form of their 4-year-old daughter. Caught up in the vicious fighting between Khmer Rouge forces and Vietnam, Mr Huo and his family attempted to cross the border near the outpost of Phnom Nam Ron last week. But they turned back when Mr Huo's sister and her husband were blown to pieces by a land mine.

They reached safety today but they were still to suffer a final trial. Four years of starvation and disease had taken their toll and two hours after the couple's arrival in Thailand their daughter died in a Red Cross hospital as doctors attempted to insert an intravenous drip into her shrivelled veins.

There were no tears as the hollow-eyed couple watched the death squad in the refugee camp carry their daughter's body away in a blanket. Four years of horror had erased their ability to weep. But the pain was there in their eyes.

If one is to grasp the horrific events which have driven nearly 300,000 Kampuchean refugees to the border of Thailand during the past 10 months, the story of brutality and tragedy might well be told through the eyes of one luckless man and his wife.

Like many of the other 30,000 Kampucheans in the Thai refugee camp at Sa Keo, Mr Huo's ordeal began when Phnom Penh fell to the Pol Pot forces in April, 1975.

Mr Huo is too weak to provide a full and coherent account of his life during the past four and a half years. But his sketchy story reveals how the average Kampuchean, who lived through the brutal reign of the Pol Pot regime, was caught in the bitter fighting between the protégés of two contending communist armies.

The former accountant's story might be summed up in the recent words of Mr Lee Kuan Yew, Singapore's Prime Minister: "I fear for the Kampucheans as a people. Hundreds of thousands will die through starvation and disease. Tens of thousands will die in pacification. The Chinese are prepared to fight to the last Kampuchean and the Soviets will fight to the last Vietnamese."

Mr Huo's tribulations began in April, 1975, when the Khmer Rouge banded him and his pregnant wife out of Phnom Penh. In the countryside he was forced to work 12 hours a day on an irrigation project in the province of Kompong Speu. There was no medicine and little food. Hunger and fear haunted the couple.

Posing as a former taxi driver, Mr Huo watched the Khmer Rouge systematically butcher any Kampuchean with an education or professional skills. He was later informed that his elder brother had been executed for stealing an extra ration of food.

"We ate leaves, roots and mice to survive. I was beaten and whipped once for asking for more food when my daughter was born, Mr Huo said. After one year conditions seemed to improve. The work squads were given more food. But people continued to die of



The face of defeat: A young mother holding the body of her dead baby in a Thai refugee camp.

malaria and disease. There were no doctors and no medicine.

Then in January last year, Vietnam marched into Phnom Penh. Within days of the capture of the capital, the Khmer Rouge forced Mr Huo, his family and 150 workers to begin a march westwards through the jungles towards the Thai border, away from the Vietnamese advance.

"People who were too weak to walk were carried on their backs, leaving anything to keep alive. At one stage I saw people cutting up a corpse, he said.

They were herded through the jungles for four months. In June, after Vietnamese soldiers shelled their camp, killing 58 people and 10 Khmer Rouge soldiers, the Pol Pot forces melted into the night and left the starving group to fend for themselves.

By now Mr Huo's daughter was very ill with malaria and the couple decided to march north-west, in an attempt to reach his parent's village near the town of Battambang.

"The journey took a long time because my daughter was sick. We had to find food for her. In one village a doctor who was hiding gave us some medicine. But I arrived in my home village in September to find that my parents had been killed in the fighting between the Vietnamese forces and the Khmer Rouge."

"My sister and her husband arrived there. They were also hungry and sick. It was difficult to get food and we decided to head for Thailand. My country had destroyed its own people," Mr Huo said, with his hollow eyes staring listlessly at his feet.

There are 30,000 other refugees like Mr Huo in a new camp at Sa Keo, 45 miles west of the Kampuchean border. There are another 200,000 refugees massing on the borders

and the Thai fear that they will cross the frontier when Vietnam is expected to step up its offensive against the Khmer Rouge at the onset of the dry season in the next few weeks.

Most of the refugees in Thailand are now being moved away from the border to prevent Khmer Rouge infiltrators from using the camps as safe havens to attack Vietnamese border patrols.

The camp is silent. People seldom talk. They sit, hunched up on the ground, staring at the plastic sheets and a little cloth provide their shelter.

The signs of malnutrition and disease are everywhere and the stench is unbearable. Babies look like shrivelled corpses. In many cases people are too weak to attend to their toilet and they are forced to defecate on the ground next to their shelter.

The death squad moves silently through the camp, starting a pole and a hammock to transport the dead to a huge pit.

Dr Jacob Adler, the leader of a team of volunteers from the Israeli Red Cross, says that 1100 refugees have already been admitted to the camp's makeshift hospital since it was opened two weeks ago.

"About 25 or 30 are dying every day. The problem is they came over the border in such a pitiful condition. In many cases they are too weak to come to the hospital or they are too weak to walk," he said.

Dr Anne Townsend, a British missionary, is like her Israeli colleague, scarce worried that the camp might be threatened by an epidemic of meningitis.

"We have already detected cases of meningococcal meningitis. With these crowded conditions I just do not know how we will cope if an epidemic breaks out," Dr Townsend says.

Pathan guerrillas suffer decisive defeat by pro-Soviet Afghan forces

From Stephen Taylor
Rawalpindi, Nov 12

The Pathan tribesmen waging guerrilla war in the eastern provinces of Afghanistan have been decisively defeated in an offensive launched by the Soviet regime to dislodge them from their mountain strongholds before the onset of winter.

The insurgents, devout Muslim tribesmen implacably opposed to the Moscow-backed Government of President Hafizullah Amin, have been routed in Paktia province and forced to retreat in Logar province, both of which are south of Kabul.

Estimates of the number of rebels killed vary between 800 and 1,200. It is their most severe reverse in the year-old war. Government casualties are believed to have been even heavier.

The success of the offensive has provided Afghanistan's beleaguered forces with a vital breathing space in the war and President Amin with a victory with which to bolster support for his fragile regime.

It could not have come at a better time for him, coinciding as it did with a display of military strength in Kabul last week to mark the anniversary of the Russian revolution.

Between 40,000 and 80,000 refugees, fleeing the fighting, have poured over the mountains into Pakistan in the past week. They are camped in the North-West Frontier Provinces of Kurram and North Waziristan, severely straining the already extended resources of the Pakistan Government and relief organisations.

There were 220,000 Afghan refugees registered in Pakistan before the offensive.

The insurgent groups based in the Paktia leader town of Bagram are hastily attempting to regroup and launch a coordinated counterattack before winter sets in and further erodes the initiative that they have held for most of the year.

But it may be too late. Snow is starting to fall in the mountains and without control of the



surroundings to allow passage of supplies and reinforcements, the tribesmen may soon have to come down.

The offensive, which started about three weeks ago, has regained for the Government more than two-thirds of the area in Paktia which was under guerrilla control. The strategically important town of Gardez, which guards Ghazni and the Kabul-Kandahar road and was under almost continuous siege in recent months, has been relieved and two towns re-occupied.

An armoured column consisting of about 100 Soviet T-54 and T-62 tanks, about 100 armoured personnel carriers and a large number of infantry supported from the air by half-copter gunships, converged on Gardez from the road running west to Ghazni. The column then divided into two and swept north-east, taking two towns.

According to some reports, the Government forces also seized the towns of Khajwa Kuram and Sikaram near the Pakistan border. Fighting was particularly intense around Ali Khel where the rebels sustained most of their casualties.

The helicopter gunships, which are equipped with twin 16mm guns, rockets and a heavy machine-gun, scoured the area round Gardez and were devastatingly effective against the tribesmen, many of whom are still armed with bolt-action Lee Enfield rifles.

A guerrilla leader said: "The gunships are killing us. We have no way to counter them."

Western diplomats are confident that Russians were at the helm of the gunship attack of the tanks and there are

strong indications of Soviet organization and command. About 20 tanks have remained in Ali Khel and Chaman. The remainder have returned to Kabul and military observers here speculate that the Afghan Government may be about to launch another thrust against the rebels in Konar or Nangarhar provinces east of Kabul. It may be timed at Asmar in Konar where the guerrillas gained a notable victory in August.

After a very shaky first six weeks in office, having overthrown Mr Nur Mohammed Taraki in a coup on September 14, President Amin's position now looks more secure. The guerrillas still control most of the territory to the west, north and east of Kabul but the noose that loosely encircled the capital has been broken.

The cracks that had appeared in Kabul's relations with Moscow seem for the moment to have been smoothed over. Mr Alexander Puzanov, the Soviet Ambassador, who was distressed by President Amin because of events leading up to the coup, was replaced last week by Mr Filkret Tabayev, the former party chief of the Tatar Republic and a Muslim.

The large influx of new refugees has caused relief workers to be stretched to the limit. The Pakistan Government, while they are struggling to cope with the difficulties of distributing aid to the 221,000 refugees already registered, are scattered along a large section of the mountainous frontier with Afghanistan.

Priorities in a United Nations relief programme costing \$7.5 million for the distribution of rice, blankets in the higher areas. No food or medical supplies have yet reached the refugees who are surviving on an "allowance of four rups (20p) a day from the Pakistan Government."

The new refugees are living in the open mainly round the towns of Parachinar and Miram Shah in Pakistan. Accurate figures of their numbers and how they are assessing what effect they will on the programme.

'Welcome back' editorial in New York Times

From Our Own Correspondent
New York, Nov 12

The return of *The Times* was welcomed in an editorial in the *New York Times* yesterday. Headed "Alive Again," it noted that "to journalists it sounded like a death in the family," when the owners talked of closing *The Times* and *The Sunday Times*.

It went on: "The *Times* is, of course, the organ of the British establishment, read by top people who relish crossword puzzles and whimsical letters from retired Oxbridge dons. But what truly distinguishes the paper is its stubborn civility, its reflectiveness and its resistance to that curse of the age, hyperbole."

In a shrill world, *The Times* has sustained a conversational tone at the expense of effect, and authority more than splash. The feelings on both sides of the Atlantic will be relief, and welcome."

Family saved after whale sinks yacht

Auckland, November 12

An Auckland family of four was rescued from the Tasman sea today after a whale sank their yacht. Mr and Mrs Frank Innes-Jones, their son Rex, aged 24, and daughter Rosie, aged 22, spent a night in rubber dinghies before they were sighted. —Reuter.

Arab unrest after Shaka arrest threatens talks

From Christopher Walker
Nabulus, Nov 12

Widespread unrest among the 700,000 Arabs living in the occupied West Bank is posing an unexpected threat to the slow-moving negotiations over Palestinian autonomy between Israel and Egypt.

It comes after the arrest on Sunday of Mr Bassam Shaka, the mayor of Nabulus, in the wake of his statements and subsequent attempts by the Israeli authorities to have him deported to Jordan. There has already been critical comment in the semi-official Cairo press.

For the second day running shops and offices in Nabulus, the largest West Bank town, remained shut in protest against the arrest. The members of the nine-strong council have already tendered their resignations. Tension among many of the 80,000 inhabitants was judged by local observers to be at a level not seen since the signing of the Camp David agreement.

Israeli troops patrolled the streets on foot and in an assortment of armoured vehicles. Two soldiers wielding heavy wooden riot sticks charged a crowd of teenage Arab schoolgirls who had been shouting abuse after their school closed early as part of the protest.

Elsewhere in the town crowds of angry workers and students gathered in Nasser square where an Arab newspaper containing an account of the arrest had been pinned to a wall. Although there was some throwing between youths and soldiers there was no full-scale violence.

Commercial protest strikes were also staged in two other West Bank towns and at Bir Zeit university students staged a sit-in. All 21 elected mayors

on the West Bank have threatened to resign if the deportation order against Mr Shaka is not withdrawn.

In Jerusalem today lawyers representing Mr Shaka failed to win an order from the Israeli supreme court to have him released from jail. More legal action against the deportation order will begin later this week and tomorrow the mayor of Gaza, Mr Rashad Sawah, will visit the Israeli defence Minister, Mr Ezer Weizman, in an effort to persuade the government to reverse its decision.

The anger of the West Bank leaders appears to have been provoked in almost equal measure by the deportation order itself and by the way in which it came about. Israeli officials claim that the action was taken because Mr Shaka expressed verbal support for the Palestinian terrorists who attacked a bus near Tel Aviv last year, killing 34 Israelis.

The remarks were said to have been made last week during a private conversation between Mr Shaka and Major-General Danny Matt, the commander of military operations in the occupied territories.

An account of the mayor's remarks was quickly leaked to the government-controlled Israeli broadcasting service.

Western diplomatic observers are puzzled why the Israeli should have chosen the present delicate stage in the negotiations to take action against Mr Shaka, whose sympathies towards the PLO Liberation Organization and whose political activities have repeatedly infuriated the military authorities since his election in April, 1976.

In Nabulus today councillors were adamant that no local resident would be prepared to take Mr Shaka's place.

U.S.-educated revolutionaries accuse Mr Carter Iranian insults in American accent

From Robert Fisk
Tehran, Nov 12

A student at Tehran's Polytechnic University was explaining why his nation's contempt for the United States. Behind him, the loudspeaker above the occupied American Embassy chanted "Yankee go home" but the student's words were clearly audible and he spoke English with an almost perfect deep south Alabama accent.

He had spent more than a year there during the Shah's rule after being arrested and imprisoned by Savak, the Iranian secret police. "You wanna know why we want the damned Shah?" he asked. "Well, I tell you—it's 'cos that son of a bitch stole 50 billion dollars from Iran."

An Iranian Air Force private wandered up to join our conversation. "That bastard," he said, referring to the Shah, "staged the biggest heist in history." The Airman's accents sounded like East Side New York. In a curious way, it said more about Iran's relationship with America than any amount of political explanation or rhetoric.

Never before, it seems, have so many revolutionaries lived, worked or been educated in the country which they now hold responsible for so many of their past troubles.

During the Shah's rule, there were sometimes half a million Iranians in the United States. Many were at American universities or colleges; some were in the Shah's army. The Shah's regime. Many thousands more were undergoing military training in the United States. One of the perks available to army officers was a regular free trip to New York on an Iranian Air Force jet aircraft.

Dr Ebrahim Yazdi, who has just resigned as Iranian Foreign Minister, worked for 17 years as a doctor in America, associ-

ating with Iranian students opposed to the Shah.

Dr Mostafa Chamran, who was appointed Deputy Prime Minister in July this year, was a member of the Islamic Students' Association in the United States in 1962 together with Dr Yusef and Mr Sadeq Qolbadeh, who is likely to become Iran's next Minister of National Guidance.

An Iranian girl who studied journalism in New York explained that, having experienced the fear of American soldiers, the Iranians wanted to know why Americans supported the Shah's regime when it opposed individual freedom and dissent.

Yet there is a contradiction amid the hatred here of the American Government and President Carter. The fact that Mr Carter, whose campaign for human rights was much publicized in Iran, should have continued to honour America's political commitment to the Shah before the revolution—in however tentative a way—is regarded as hypocritical.

Yet the Carter Administration was opposed to the anti-democratic nature of the Shah's regime and, within the limits of diplomacy, Mr Carter urged the Iranian monarch to liberalize his country.

Iranians argue that his words were ambiguous and it is indeed difficult to read some of Mr Carter's statements during the last months of the Shah's regime without sensing a certain naivety in the American President.

Patriotic Front increases forces inside Rhodesia

From Nicholas Ashford
Salisbury, Nov 12

As the Lancaster House talks near a conclusion, there are signs that both wings of the Patriotic Front are increasing significantly the size of their guerrilla armies inside Zimbabwe Rhodesia.

Informed sources in Salisbury say there are now more than 15,000 armed guerrillas in the country, and more are coming. This is an increase of more than 3,000 in the last three to four months which recent raids into Zambia and Mozambique have not been able to stem.

The drive to increase the size of the guerrilla presence inside the country is linked to the ceasefire agreement which the three parties at the Lancaster House talks—the Patriotic Front, the Salisbury Government and the British—are expected to sign soon.

The Patriotic Front leaders realize the necessity for having the maximum number of men in the country by the time the ceasefire is called in order to substantiate their claims to be operating in most parts of the country.

In the unlikely event of the London talks failing, the expanded guerrilla army would be in a strong position to step into the war against the forces loyal to Bishop Abel Muzorewa's Government. The rainy season just beginning would be an

additional advantage to the guerrillas.

The heaviest infiltration in recent weeks has been across the Zambezi river from Zambia by members of Mr Joshua Nkomo's Zimbabwe People's Revolutionary Army (Zipra), which operates predominantly in the west of the country, has always been heavily outnumbered by guerrillas belonging to Mr Robert Mugabe's Zimbabwe African National Liberation Army (Zanla).

Even now there are believed to be only about 3,000 Zipra guerrillas in the country, compared with 15,000 in the case of the more numerous Zanla. Recently they killed 34 guerrillas operating in a single group. But the security forces say most of the guerrilla reinforcements are careful to avoid any contact and have been trying to penetrate deeper into the country.

On the Government side, there has been an acceleration of recruitment of young Africans into the ranks of the security force auxiliaries, known as the "Pfumlo Revanhu". They are believed to number about 12,000 armed men, but there are plans to increase this to 20,000 by next year.

The security forces have had some success in the past in trying to break up guerrilla groups. Recently they killed 34 guerrillas operating in a single group. But the security forces say most of the guerrilla reinforcements are careful to avoid any contact and have been trying to penetrate deeper into the country.

Doctors see chance of Shah's recovery

From Our Own Correspondent
Washington, November 12

Although the deposed Shah of Iran is seriously ill, his life appears to be in no immediate danger. This is the view of American medical specialists familiar with the ailments diagnosed by doctors treating the Shah in New York's Hospital-Cornell Medical Centre.

The Shah was admitted for treatment on October 22 suffering from jaundice which he had contracted during his exile in Mexico. His doctors diagnosed the jaundice as a problem as a blockage of the bile duct and two days later removed several small gallstones and his gall bladder.

They also performed tests for treatment of a virulent type of cancer known as histiocytic lymphoma, which the Shah has disclosed was first detected six years ago. Another gallstone has since been detected.

The Shah was admitted for treatment on October 22 suffering from jaundice which he had contracted during his exile in Mexico. His doctors diagnosed the jaundice as a problem as a blockage of the bile duct and two days later removed several small gallstones and his gall bladder.

They also performed tests for treatment of a virulent type of cancer known as histiocytic lymphoma, which the Shah has disclosed was first detected six years ago. Another gallstone has since been detected.

But new types of chemotherapy offer a reasonable chance of cure, amounts to a cure in 40 to 60 per cent of cases if the disease is caught early enough.

The Shah's case, however, is complicated by the fact that the lymphoma has been treated and kept under control for six years. This may have made the disease more resistant to chemotherapy.

Handwritten text in Persian script: ۱۳۵۸/۱۱/۱۲

You can't beat the Times.



New York in 4 hours.
Washington in 4 hours 10 mins.
Bahrain in 4 hours 10 mins.
Dallas in 8 hours.*
Singapore in 9 hours 10 mins.†

**British
airways
Concorde**

*Interchange with Braniff † In association with SIA

VERSEAS

Tensions grow in East Africa as relations between Kenya and post-Amin Uganda worsen

on Nicholas Ashford mpala There is growing concern among Western diplomats in East Africa over the deterioration in relations between Kenya, Uganda and the new Ugandan Government headed by President Yoweri Museveni. The overthrow of the tyrannical President Idi Amin last year, far from stabilising the nation, appears to have created new tensions in East Africa, says that President Amin's downfall could lead to a revival of the defunct East African Community (Kenya, Uganda and Tanzania) seem to have been wished, at least for the foreseeable future.

Relations between Kenya and Uganda began their slide into suspicion and acrimony with the removal from office of President Yusef Lule—a pro-Western, pro-Kenyan moderate who was nominated to head the Uganda National Liberation Front (UNLF) government in April after the overthrow of President Amin—and his replacement in June by President Binaisa.

The Kenyans claim they detected the hand of their arch-enemy, President Julius Nyerere of Tanzania, behind Mr Lule's removal. They believe the Tanzanian leader, whose forces brought about President Amin's overthrow and are still responsible for maintaining security inside Uganda, is determined to implant Tanzania's brand of socialism in Uganda, and that Mr Lule was equally determined not to be dictated to by President Nyerere.

Furthermore, the Kenyans identified President Binaisa not only as being a leftist but also as a "front" for ex-President Milton Obote, who has been living in Dar es Salaam as President Nyerere's guest since his overthrow by General Amin in 1971. Kenyans have developed exaggerated fears about the possibility of ex-President Obote's return to Uganda; a move Nairobi feels would not



President Binaisa of Uganda: Nobody's puppet.

only result in the complete socialization of Uganda but could also lead to civil conflict between pro-Obote and anti-Obote factions.

However, since he took over four months ago President Binaisa has sought to demonstrate that he is neither President Nyerere's nor Mr Obote's puppet. Although he cannot ignore his Government's dependence on Tanzania—particularly the 20,000 Tanzanian soldiers based in Uganda—he has tried to distance himself from the Tanzanian leader.

President Nyerere's advice is listened to but not necessarily heeded, and President Binaisa has made it clear that neither Mr Obote nor anyone else will take over the presidency until general elections are held in 1981. "We are definitely not taking our cue from Tanzania," says Professor Yash Tandon, a leading policy-maker in the UNLF.

The Kenyans do not seem to be impressed. A series of incidents—such as the temporary seizure in Uganda of 38 Kenyan lorries on their way to southern Sudan, the sudden closure of Uganda's borders during the recent currency change-over, and Uganda's announced intention to develop a new route to the coast through Tanzania, in

order to reduce its dependence on the railway line to the Kenya port of Mombasa—have merely fuelled their suspicion. The Ugandans say they are disappointed but not really surprised by Kenya's hostility towards their Government. They claim the Kenyans had a vested interest in seeing President Amin remain in power for as long as possible—first, because he was bitterly opposed to President Nyerere and, second, because Kenya's economy benefited at the expense of Uganda's once prosperous but now badly neglected economy.

Prominent Ugandans, including President Binaisa himself, have accused Kenyans in high places of involvement in smuggling coffee out of Uganda. They also blame Kenya for "not lifting a finger" to prevent Ugandans from being slaughtered by President Amin. In fact, Kenya continued to allow supplies and Libyan troop reinforcements to reach President Amin right to the bitter end of the war.

The Kenyans also proved to be less than hospitable hosts to the thousands of Ugandans who sought refuge from President Amin's massacres. Some were returned to Uganda and certain death while others were constantly harassed by the Kenyan police. Kenya also prevented some Ugandan exiled leaders from attending the conference in Mombasa, last March, which led to the establishment of the UNLF coalition which took over from President Amin.

"I think it is criminally absurd of Kenya to take such a negative attitude towards Uganda," said a Western diplomat in Kampala. "If it persists with its present attitude, Kenya will be the main sufferer as it will have enemies not only in Somalia on its northern border and Tanzania in the south, but also in Uganda to the east as well."

It is possible that Kenya will modify its attitude towards Uganda once President Moi has reshuffled his Cabinet after last week's Kenyan elections.

World View: By Arrigo Levi, who will contribute regular articles on international affairs

More détente, not less, could be a remedy for its inadequacy as a peace strategy

Four months have passed since the Vienna summit, where America and Russia solemnly reaffirmed their commitment to détente, as proclaimed by the Moscow Charter in 1975. As President Carter then put it: "Our new SALT treaty could provide the basic framework we seek to reduce tension and conflict throughout the world." Hopefully it could, but apparently it does not.

During the last few months the superpowers have not been able to "prevent the development of situations capable of causing a dangerous exacerbation of their relations", as Principle 2 of the Moscow Charter asked them to do. A short list of recent confrontations includes: the affair of the Soviet brigade in Cuba; a series of military challenges and counter-challenges on "Euro-missiles" and massive Soviet pressures upon Western Europe; the attempted take-over of the Non-Aligned Movement by the Soviet faction; the strengthening of links between China and the West; and the continuation of dangerous conflict in Indo-China. Is détente no longer adequate, as a strategy for peace, in a world of multiple tensions and conflicts?

According to Dr Kissinger's memoirs, détente was based on two elements: the SALT agreement, which was supposed to stop the "wildly spiralling nuclear arms race"; and the basic principles, which emphasized "the necessity of responsible political conduct". A relaxation of tensions "could not be based exclusively on arms control; the ultimate test would be the ultimate test of international behaviour".

The experience of seven years has unfortunately proved, first of all, that arms control agreements have a limited scope. They are unstable, being continuously threatened by technical progress. Strategic parity is the sum of a number of disparities and the overall balance of power never settles for long. Old weapons are always re-



Arrigo Levi, who edited La Stampa of Turin between 1973 and 1978.

placed by the most powerful and advanced new weapons available: Russia's SS20 and SS5 missiles, by the much more flexible, invulnerable and precise SS20; America's Minuteman by the MX missiles, which are not just invulnerable but so much more powerful and precise that they will immediately create a new imbalance against the Soviet Union, instead of simply eliminating the present one against America. According to precedents, the British Polaris deterrent will certainly become a Trident deterrent.

Arms control agreements may have made the arms race less costly and somewhat less wild. But they are not conducive to disarmament or even to a stable balance of power. Nor have they prevented the great expansion of Soviet military power which has given the Soviet Union, for the first time in history, a global military reach which equates its political ambitions. When Mr Brezhnev and President Nixon promised each other "restraint", in May, 1972, there was one global power: now there are two. Détente between equals seems much more difficult to achieve.

This change has come about as a result of deliberate long planning by Moscow. Other powers, taking action in the economic as well as in the military fields, the two being in many ways connected, as Raymond Aron put it in *Discourtesy*, a weakness of the West for which the Russians are not responsible, in that we live in a world market, without having a world empire.

But, strenuous as our agricultural and power, though necessary, is not by itself an adequate strategy for peace. Nor can détente be limited to arms control, leaving the whole world open to unrestricted confrontation. President Carter seemed to believe for a time. Military agreements would not survive among continuous tensions and crises.

So the inadequacy of détente in a world where no great power can "go it alone" can probably be remedied only by an effort to have more of it. We may need a new great age of negotiation in many directions. The military balance in Europe could be a good start, once we have made it clear that we will not be cowed by Soviet bullying into acceptance of permanent inferiority.

©Arrigo Levi 1979.

Mr Sadat's euphoria puzzles his advisers

By Edward Morfimer

President Sadat of Egypt is in a mood of such irrepressible optimism and euphoria as to puzzle even some of his close advisers.

When I interviewed him last week in his rest house at the Barrage, outside Cairo, he declared himself "quite satisfied" with Israel's response to this peace initiative he launched two years ago and expressed confidence in the outcome of the talks on Palestinian autonomy, even suggesting that agreement might be reached three or four months ahead of schedule. He brushed aside the dispute over the price of oil that they used to have from the Alma oilfields in Sinai, which Egypt is to recover on November 25.

Israel has been insisting that the oil be sold at the OPEC price, \$23.50 per barrel, rather than the spot market price at which Egypt sells the rest of its oil, and which is nearly \$10 higher. This could make a difference of as much as \$70m to the Egyptian balance of payments. But Mr Sadat made light of the matter.

"You have made a mountain out of a molehill," he told me. "Because Israel is the only nation now, I took my decision and asked my prime minister to arrange for it that, let the Israelis have the two million barrels or the quantity of oil that they used to have from this Alma field, for one year at the OPEC price." There had not been any "real conflict" about this, he insisted.

Members of his government were reluctant to believe it when told that he had said this, and did their best to explain it away. "According to one of them the real disagreement is that Israel should pay the spot price but receive a soft loan to cover the difference in the first year. Mr Sadat told me he believed it would take only another two or three months to reach agreement with Israel on the autonomy of the Palestinians in the West Bank and the Gaza Strip.

When I asked the reason for his "remarkable" confidence, which is not shared by independent observers or by Mr Robert Strauss, the outgoing American representative in the talks, the President gave two reasons.

First of all, you wouldn't believe me when I tell you that during the last four or five years everyone was pessimistic—in America, in Israel, and including some of my aides—and I was optimistic. Second, by now I have known Begin and we have dealt together and I feel the man is true for peace, as he is true also for the security of Israel.

He recalled that on his visit to Jerusalem he had set two main goals: that there should be no war after the October war, and secondly that "there is a security issue that should be met". The first was now definitely achieved, he said, "and we are now on our way to achieving the second one." We have achieved it between Egypt and Israel, and it will not be difficult to achieve it between the Palestinians and other parties like Jordan or Syria and Israel. We have the example in the treaty that has been concluded between me and Israel. So for all these reasons combined I am optimistic.

Asked about the exchange of ambassadors between Israel and Egypt, which is due next February, Mr Sadat said other Arab states might react by adopting further sanctions against Egypt. He continued: "But it will never hinder anything or impede our efforts towards a comprehensive settlement. I'm sorry to say that everything with my colleagues is based on slogans and exploitation and acrimony, and so on. I have no time to lose in battles like this. But every effort from our side should be directed towards the fulfilment of the comprehensive settlement."

Peace has already started to prevail because of the Camp David and the treaty between Egypt and Israel the cornerstone of this comprehensive settlement. We have laid already the cornerstone of it. It is solid. The comprehensive will come sooner or later."

Mr Sadat repeated his view that the remaining problems in the Middle East were "personal" and "psychological". The Syrians, Palestinians and other Arabs, he said, were "not seeing the whole thing for themselves and trying to understand the psychological dimensions of the problem."

Finally, I asked Mr Sadat whether he feared that Mr Begin's political difficulties at home might have repercussions for the peace process. He replied: "This is a pure internal matter. I'm not to comment on it. But let me tell you this. I have dealt with Begin and the man has proved himself to be a strong man, a strong friend. So it will be a loss if anything happens to him."

China's Christians go to church again

By Charles Douglas-Horne

Church services for Chinese Christians have started again in Shanghai after at least 13 years of prohibition. The reopening of the churches is a sign of the relaxation of China's Communist Party leadership of the question of organized religion.

Since the start of the Cultural Revolution in 1966 Christianity has gone largely underground among Chinese adherents, who are now estimated to be between 600,000 and one million. Apart from two churches in Peking which have performed mainly for foreigners in the last few years, no other formal Christian activity in China has been verified.

I recently visited a church in a poor area of Shanghai, near the waterfront. The church, which had probably been built as a Nonconformist hall in the 1920s, had been restricted to only a few weeks earlier. It was bulging with Chinese citizens. Nearly 1,000 men and women of all ages had crowded into the church and many more took part in the service standing outside the building.

The service, started with the familiar hymn "Holy, Holy, Holy, Lord God Almighty" to the accompaniment of an electric organ on the platform. The congregation sang four Chinese hymn sheets that must have been treasured in secret for many years and were collected for safe keeping after the service.

The form of service was basically Presbyterian, according to the pastor, Mr Yang An Ting, who told me that he had been working in a factory until a few weeks previously when the authorities gave him permission to resume services. The church had been a furniture store until September.

There were no symbols of Christianity in the church, no altar, no sign of the cross. The pastor and his colleagues were dressed like the congregation members, in blue cloth jackets and trousers. He sat behind a desk on which was a microphone through which he delivered a 30-minute sermon. Bibles were in evidence among the congregation, all of them being handled with care. Bibles are printed in China and are unlikely to be printed in the foreseeable future.

About four-fifths of the people were old or very old, and showed a long legal battle tomorrow to uphold President Carter's decision to end his country's defence treaty with Taiwan at the end of the year.

To the embarrassment of the Administration, a district court in Washington ruled last month that the President acted illegally in not seeking the approval of Congress for the proposed termination of the pact. The decision was taken unilaterally by President Carter last December, when he announced that he was recognizing communist China and ending formal recognition of Taiwan.

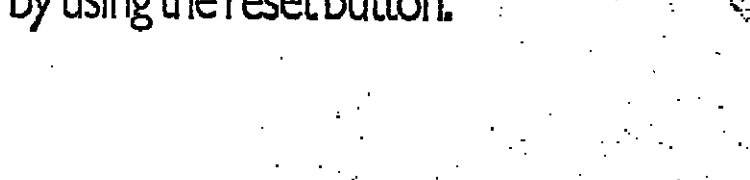
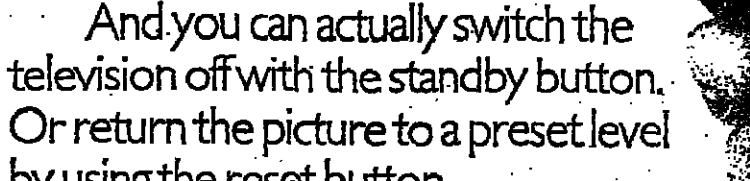
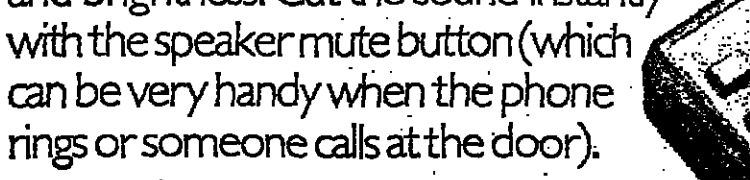
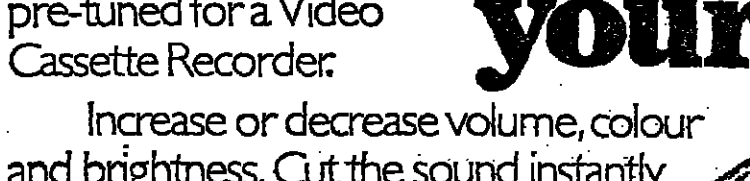
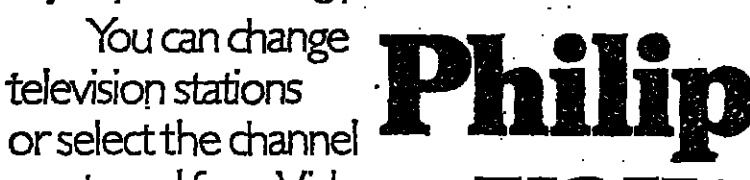
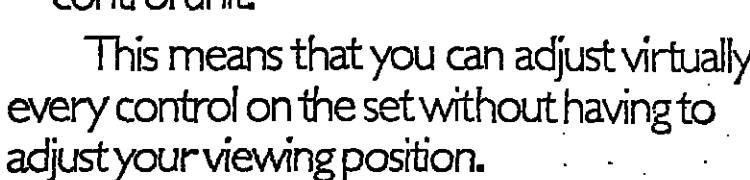
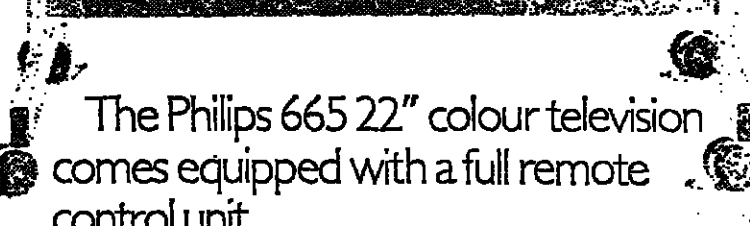
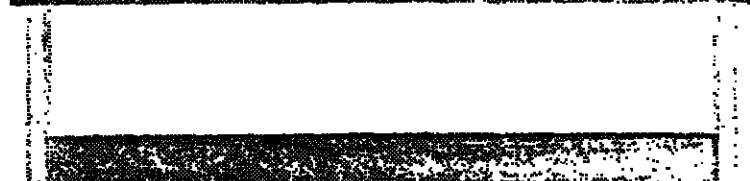
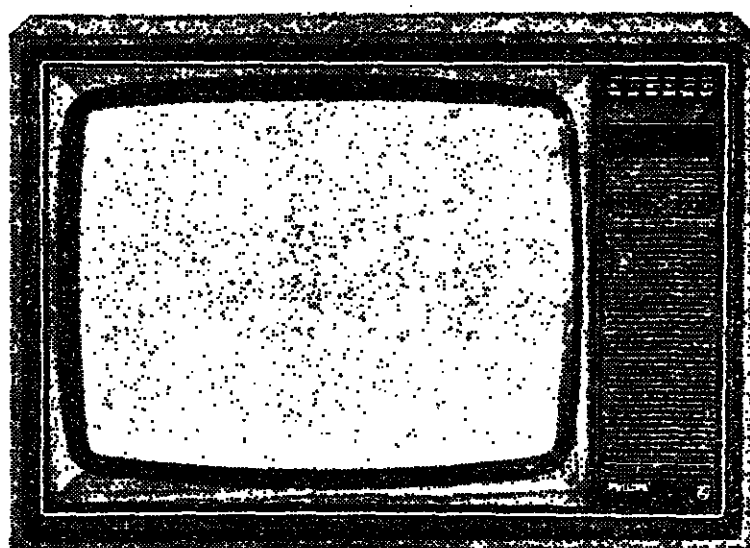
The lawsuit against the President was initiated by Senator Barry Goldwater and 24 other conservative members of Congress who were angered by the Administration's move to abandon a close ally of the United States.

In his ruling Mr Oliver Gasch, the district court judge, said a president does not have the constitutional power to end a treaty on his own authority and must seek the approval either of two-thirds of the Senate or of a majority of both Houses of Congress. He added that the Administration not to carry out plans

to terminate the Taiwan treaty formally on January 1 next year.

The United States Court of Appeals has agreed to let the Justice Department challenge Mr Gasch's ruling during oral evidence tomorrow. This should make it possible for the Supreme Court to decide the issue finally by the end of the year.

To justify his action, President Carter invoked a clause in the treaty which said that the pact could be terminated by either party. But Mr Gasch said that the "party" mentioned in the United States was a whole and not the President alone.



As well as full remote control, the 665 has a 'Hi-Bri' screen for clearer daytime viewing, electrotouch tuning and a quick start picture to minimise the irritating time lag between sound and vision.

All this comes in a slimline Burma Teak veneer cabinet on a castor mounted stand.

Your Philips dealer will be happy to demonstrate the 665, or any of our other sets with full remote control.

From a 16" Compact, to a 26" Teletext receiver or a set with Hi-Fi sound. He'll put television at your fingertips.

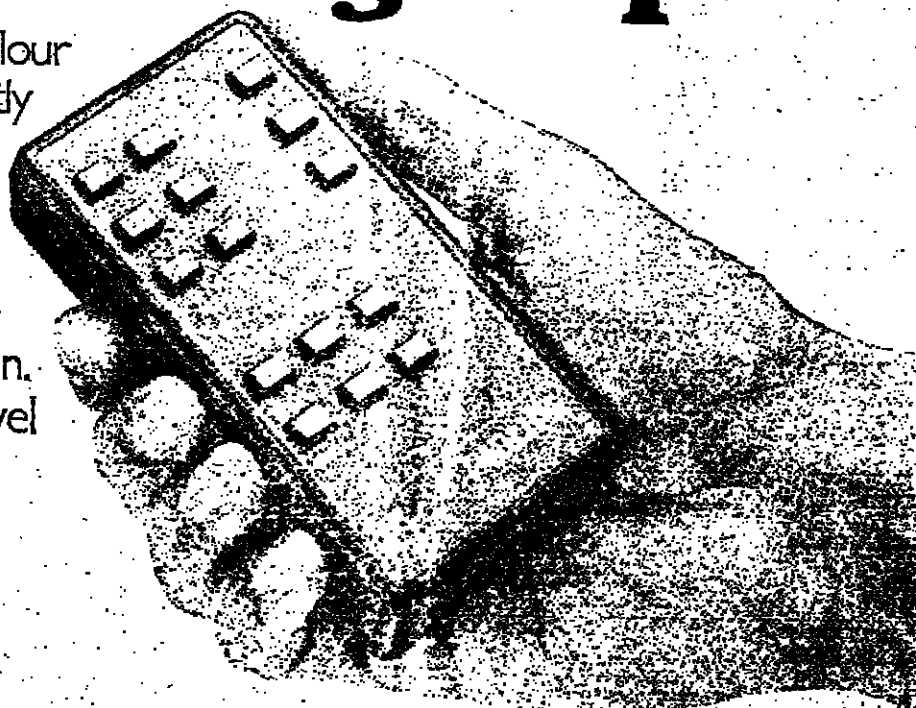
Philips Video. Simply years ahead.



Philips television at your fingertips.

Increase or decrease volume, colour and brightness. Cut the sound instantly with the speaker mute button (which can be very handy when the phone rings or someone calls at the door).

And you can actually switch the television off with the standby button. Or return the picture to a preset level by using the reset button.



PHILIPS FULL REMOTE CONTROL TELEVISION.

مركز لاداميل

For a high-performance motor-car, the new Jaguar XJ Series III makes almost excruciatingly slow progress down the assembly track.

In an atmosphere more reminiscent of a cathedral than a car plant, the cars pass along at the stately speed of two inches per minute, receiving at every stage the skilled and detailed attention of a complete team of dedicated Jaguar craftsmen and inspectors.

Because of this painstaking attention to detail, both in design and in manufacture, the Jaguar XJ has more than once been dubbed 'the finest car in the world'—a reputation we are much too proud of to jeopardise by taking short cuts.

For the same reason ordering a new Jaguar XJ Series III can, we admit, make demands on your patience.

The precise model you want will probably not be available 'off-the-shelf', although your Jaguar dealer will try his best to expedite delivery.

In the meantime, you might like to contemplate the unique motoring experience you have in store.

The totally effortless power, available at the merest depression of the accelerator.

The incomparable luxury of ride and comfort, allied to an almost uncanny silence.

Hide covered seating with adjustable

lumbar support and hand-finished walnut veneering that is symmetrically matched.

Legendary handling and road-holding, complete with anti-dive suspension and fully fail-safe braking.

Secondary safety features that include a deformable boot and bonnet, engineered to absorb the full force of a 30mph impact.

But above all, the unique, indefinable pleasure of Jaguar ownership.

We can't promise to deliver your new Jaguar XJ Series III in a hurry.

But we can promise you a car that is worth all the waiting. **JAGUAR**
The latest Jaguar. The XJ Series III.

Putting your foot down won't make it any faster.



Anyone would think Sony are the only people who make video for business.



All the companies on this page use the Sony U-matic video system. They're also some of the most successful companies in the country. What a coincidence.

To: Bill Rowland, Sony (UK) Ltd, Commercial & Industrial Division, Pyrene House, Sunbury Cross, Sunbury-on-Thames. Tel: Sunbury-on-Thames 89581. Please tell me more about the Sony U-matic videocassette system.

Name _____
Company _____
Address _____

T/13/11/A

SONY

THE ARTS

Neil Simon, playing with £15,000 a week

Tonight, when *Last of the Red Hot Lovers* opens at the Criterion in London, Neil Simon, one of the most successful comic dramatists in the history of world theatre, will be trying again for a legitimate West End hit. Nor that he has been exactly unsuccessful in Britain: a string of musicals from *Sweet Charity* and *Little Me* all the way through to *Promises, Promises* and a succession of such films as *The Goodbye Girl* and *California Suite*, have made him a familiar name on the posters. But the fact remains that not one of his Broadway comedies, not *Barefoot in the Park* nor *The Odd Couple* nor *The Sunshine Boys* nor even *Plaza Suite*, has ever managed in the London theatre to repeat the original American success. The Atlantic is perhaps the most dangerous crossing for comic dramatists: certainly Alan Ayckbourn's *Bedroom Farce* is now nearing the end of its Broadway run after much less than half its London life.

Mr Simon remains commendably if understandably unperturbed: at 52, with 17 plays and 14 films already off his typewriter, he can reckon on a steady income from them of around £15,000 a week. Add to that his ownership of the Eugene O'Neill Theatre on Broadway, and about eight million dollars safely in the bank, and it's not too hard to work out why he is not going to be lying awake tonight worrying about the notices. Not that he has altogether ceased to

care about the West End; Simon just thinks it would be nice if his royalties there could one day be greater than his hotel-bill at the Connaught. This time it may just happen: *Last of the Red Hot Lovers* comes from West End managements (most of them have in the past been responsible for the catastrophic mis-casting that has always bedevilled Simon over here) but from the Royal Exchange in Manchester, where the production opened to some rave reviews back in April. Its London chances may however have been fractionally damaged, as Simon admits through clenched teeth, by the BBC's decision to screen the film version on Sunday.

"I have that film anyway, but can you imagine a television network deciding to show it two days before the premiere? What harm have I ever done you?"

Neil Simon's eventual biographer is going to be able to trace much of his life through his comedies: the son of a flamboyant, no-trade father (*Come Blow Your Horn*), he married early and penniless (*Barefoot in the Park*) and went out to California to write *Sergeant Bilko* with his brother who soon divorced and went to live with another male divorcee (*The Odd Couple*). Simon's first wife was to die of cancer, and the story of how he came through that and into a second marriage to the actress, Elaine

Mason is told in *Chapter Two*, the film of which has just been completed with Miss Mason and James Caan starring. *Last of the Red Hot Lovers* is, says Simon, less autobiographical, "except that it's about all of us who 10 years ago realized that we were in our forties and had totally missed out on the sexual revolution. It's about a man who runs a fish restaurant and suddenly realizes that half his life is over before he's started to live it; he even lies in bed practising how to die. But all my plays are in certain ways autobiographical, I guess because I once read somewhere that if you wanted to be a successful playwright you had to begin by writing about what you knew best. I figured that was me, and I've somehow never stopped. When you're a writer everyone is at your mercy and the curious thing is that people almost never recognize themselves: my father went to his grave thinking that *Come Blow Your Horn* was about his best friend."

There have of course been a few disasters along the way: around the time of his first wife's death Simon came up with two extremely serious plays, one built around some short stories by Chekhov (*The God's Doctor*) and the other around the Bible story of Job (*God's Favourite*), neither of which suited Broadway's preconceived notion of what he should be delivering annually, and which Simon has since found of them than of such

machine-made hits of his as *Star-Spangled Girl*.

"In the end, all comic writers bear the brunt of not being taken seriously when they write in comedy about serious subjects, but I would argue that *Chapter Two* is despite its gags a play about death and rebirth: if people come in expecting a comedy and go out having found something else, so much the better. The great thing is to surprise them, which is maybe why I've now got on the type-caster nineteenth-century Russian farce, an old-fashioned 1940s movie for Goldie Hawn and a new play about a man meeting his daughter for the first time in 18 years. People seem to think that if I do maybe one play and one film, I'm working very hard; believe me, nothing in my life has been such hard work as 26 episodes of *Sergeant Bilko* every year. After you've done that, the rest just seems like an extended holiday."

Simon and Martha Mason (and his two daughters by his first marriage) now commune between New York and Los Angeles, where Simon and Martha act, often in scripts by her husband. On film, they have a happy knack of turning even their failures into box-office gold.

"I wrote a film for Martha and Robert de Niro called *Bogart Slept Here* and after seven days shooting and a million dollars spent the Mike Nichols said it was impossible and he cancelled

the whole project. Then, later, the studio were trying to set it up again with a different director and they were auditioning actors, and Richard Dreyfuss came in and played a scene with Martha and I suddenly realized that though *Bogart Slept Here* wasn't any good I could write a film for Dreyfuss and Martha and that became *Goodbye Girl*.

After *Red Hot Lovers* and the film of *Chapter Two* (due at Christmas) London will also be seeing Neil Simon's latest musical, *They're Playing Our Song*, a two-hander starring Tom Conti and the original Broadway star Lucie Arnaz. This again is, if not autobiographical, then at least biographical in that it is a semi-fictional account of the relationship of the show's own composer-lyricist team, Marvin Hamlisch and Carole Bayer Sager.

I seem to have better luck over here with the musicals than the straight plays; maybe it's because British audiences are still impressed by the dazzle of a Broadway score where they still expect their comedies to be like Ayckbourn or Coward. But I think generally things are getting better for American playwrights in London: television seems to have narrowed the gap and at the Criterion we're getting laughs on lines that would have seemed incomprehensible over here even five years ago."

Sheridan Morley



Edward the third

Panorama
BBC 1

Michael Ratchiffe

"He's tougher than hell" remarked an associate. "He's got two dead brothers, and he's got the money." There was no reason to revise that view of Edward Kennedy after Michael Cockerell's sober but entertaining first shot in Panorama's coverage of the Presidential campaign for 1980. The choice for the Democratic Party appears to rest between an incumbent with milky blue eyes that never focus on anything and a challenger with green ones which, in close-up, appear to be concentrating very hard indeed not on what he is saying but on what he must remember to say next. Turning his head like a mischievous panther, later on in the programme, the First Mother remarked that the South had always supported Kennedys before, but would not vote for this one because he was nuts. "Why do you think he's nuts?" asked Cockerell. "For running!" replied the panda, with evident joy.

What with the Iron Magnolia and the Florida Caucus and the tiny speck of non-malignant cancer on Teddy's skin, not to mention Ted's brother's revolting campaign song and yet another trip to Martha's Vineyard and Chappaquiddick, it could not be said that the level of political debate was high up, if Kennedy's "socialistic" ideas were not given credit as a positive, vote-getting side to his political character, neither was his shooting from the mouth on issues like Northern Ireland and the "peace" process. The Kennedy Challenge was about early moves in the game.

Kennedy's were all on home ground. When he was being rough in Philadelphia, his techniques reminded me of Hitler's at ease with a home crowd in Munich, and when he got excited his face swelled and went red like Franz Josef Strauss's. There was indeed something oddly Bavarian, rather than Irish, about his whole performance. The Carters were bullish on a black, photographic autumn day in Miami, and the President displayed all his light touch of steel and genius for embarrassment on opening the Kennedy Memorial Library in Boston before the entire Camelot clan. Most ominous was Chicago, where Jane Byrne welcomed him with a kiss to a full-sized indoor replica of a Mississippi steamboat surrounded by ladies of Illinois affecting to be Southern belles. Jimmy said you were never alone in Chicago, or something like that, and Mayor Byrne agreed, before going off to throw in her lot with the other man. A key moment, perhaps, in the 12 months to come.

Tomorrow: Alan Bates and Simon Gray talk to John Higgins about their third partnership, in Stage Struck; and David Robinson previews the first week of the London Film Festival.

Value in original art



Detail from "Broomer" an original etching by Chris Penny. Priced at £45, it typifies the very remarkable value that Christie's Contemporary Art offers in original etchings and lithographs. Attractive landscapes and figurative works by rising young artists from around £30 to £50. As well as the work of such masters as Henry Moore and John Piper. Each work is an authentic original, numbered and signed by the artist. Then it is stamped with the Christie's seal of authentication and delivered to your home. Let us send you our free colour catalogue and price list. There's no better place to buy original prints. There's no better time than now.

Christie's Contemporary Art
8 Doyce Street, London W.1.
(01-499 6701-24 hours)
Name _____
Address _____
Post Code _____
T1 11 79

Sir Thomas Lawrence
National Portrait
Gallery

Thirties
Hayward Gallery

John Flaxman, R.A.
Royal Academy

The Art of Hollywood
Victoria and Albert
Museum

Since the days when Durren was busily, expensively selling American millionaires ready-made ancestors for their walls, the stock of the classic British portrait painters has gone down considerably. When they are liked, it tends to be for something other than their portraits. Gainsborough's figures-in-landscape, for instance. Which makes things peculiarly hard on a painter like Sir Thomas Lawrence, who rarely strayed outside the portrait, and when he did stray—as with his 1797 Academy picture *Satan Summoning His Legions*—achieved a conspicuous lack of success with critics and public. If we are going to like Lawrence, it has to be for his portraits or nothing.

Even in the heyday of American buying, he was never so much favoured as Gainsborough. Romney or Sir Joshua Reynolds. One might wonder why. The period, being nearer, was perhaps less appealing, less... well, ancestral. But also, as we can see at once looking round this splendid conspectus of his paintings, ideally suited in style and scale to the National Portrait Gallery's Carlton House Terrace annex. There was something curiously hard and unyielding about his best work, something which defied sentimentalisation. This might not be the superficial impression: there are, heaven knows, more than enough shimmering enameled Misses and angelic children like young Master Lambton in red velvet, nearly poised half-way between *The Blue Boy* and *Bubbles*. But, however vociferously these were admired in his own day, they can never be seen now as central to his talent.

There is, indeed, something Byronic about Lawrence's art. The strengths and weaknesses of his portraiture, at least, are very close to the strengths and weaknesses of Byron's. He is very good at portraying crisply practical old women, beyond vanity. He has a weakness for heroes. His beautiful, young

Portraitist with a Byronic brush



Portrait of Arthur Atherton as an Etonian by Sir Thomas Lawrence (detail)

women are frankly bores. His men are mainly cunning, weak, foolish, Byronic, according to the occasion, but are always very palpably there, observed with a precision which can be tough or ironic but is seldom indulgent. The famous contours of the Waterloo Room at Windsor, three paintings from which are prominent here, represent the height of his brilliance and the depth of his penetration.

The grand and handsome Archduke Charles of Austria contrasts sharply with the pudgy and vacillating Alexander I, Tsar of Russia, and both can be set against the surely rather ironic image of a jolly, worldly, slightly sly Pope Pius VII. The wonder is that Lawrence could be (perhaps unconsciously) so truthful in his depictions of famous and important men, and still have the likeness generally approved by the sitters, their relatives and friends.

These days, Lawrence, if familiar at all, tends to be known through historical rather than aesthetic interest. A show like this—no doubt the most comprehensive and representative ever assembled—is bound to be both a voyage of discovery and an essay in rehabilitation. It must be said at once that Lawrence winged down over Lely, the subject of last year's equivalent winter show at the National Portrait Gallery, Lely turned out on further acquaintance to be just about as (mildly) interesting as one had always imagined, but certainly no more. Lawrence gains enor-

mously from being seen in bulk and in chronological order. Even his most famous pictures, like the full-length *Prince Regent* in Garter robes, stand up admirably to close critical scrutiny, and many of the less familiar images of less notable persons are discoveries indeed. Look at *Georgina, Lady Aspley*, bent over her sewing—a surprisingly modest, domestic image—or at *Arthur Atherton as an Etonian*, an imperious young pup with just a saving touch of insecurity.

Every now and then there comes along an exhibition which sets out to surprise by fine exegesis. *Thirties*, at the Hayward until January 13, is one such: there seems to be so much of everything, crumming the gallery to the last corner with art or more-or-less-art, for who is going to quarrel about the inclusion of the *Bluebird*? The life of the decade is approached most directly by way of the superb range of news photographs on the top floor, among which those of James Lachry stand out as the class of Cartier-Bresson, whether or not they would fit comfortably into *The Family of Man*. But elsewhere the tone of the times is captured with equal vividness through indirectness. In particular the catholic collection of paintings, divided down the middle into conservative/academic and advanced, comes up at this distance of time with an astonishingly uniform and coherent image.

The feeling of the period is

so palpable that other considerations, such as whether a painter favours representational or abstract, surreal or super-real, fade into insignificance, and all one remembers are some very memorable paintings, often from less familiar painters such as Glyn Philpot or James Cowie.

But one realises also that the Thirties were a golden age for printed fabrics and woven textiles, a summing-up moment in the art of the poster and productive of some of the best English book-design ever.

John Flaxman was not at all cosy either; he would probably have fitted very well into the Thirties had he been transported there by some chronological aberration. But because his art is chilly and formal, that certainly does not mean that it is lacking in passion. Looking round the Royal Academy's comprehensive display of his drawings, illustrations and smaller sculptures for Wedgwood china or metalwork (obviously, short of ravaging a few churches, it would be difficult to represent anything larger directly), one often has a slight feeling of being given by the abstracts of Mondrian or of turbulent emotion kept in check, but only just, by rigorous control of the formal surface.

One by one the shadowy, unused contributors to the art of the film are being brought out to be recognized. Now it is the turn of the designer. The *Art of Hollywood*, at the Victoria and Albert Museum until January 24, concentrates on nine of the biggest names, placing them in their context in the history of the film, showing their original designs (where available) as well as photographs and even filmclips to illustrate how they were realised on screen, one indicating how little they did. This last is really the vexed question which this show brings us significantly nearer to solving. The action of Henry James's ghost-story involves 15 changes of scene, with only one interval, preferably done quite simply. Horror stories nowadays appeal to audiences at least as much as in times past, especially where children are involved. The ENO production, now to be seen in repertory at the London Coliseum in Jonathan Miller's new production, breaks fresh ground. It exploits to the full a high, wide and deep uncensored open stage without sacrificing stage-orchestra balance, or the audibility of words, or the oppressive nature of the tale. The intention is clearly to increase the impact, not to make it more cosmetic, but to bring home the apparent physical vastness of a child's surroundings, and thus suggest how hardly children's curious behaviour will be comprehended by elders who have forgotten the relative dimensions of childhood.

At the Coliseum the acting area is diamond-shaped, jutting over the orchestra pit. The walls, screens behind, at first silver-grey, then black, are transparent to show the huge facade of Bly, without and within, even that of the local church. Children judge everything in terms of either good or bad, and accordingly the spectacle is in monochrome. Miller's production also sug-

gests that the children have not so much been perverted by ghostly influence, but have rejected the society of living adults, and turned away to the alluring world of their ghostly friends. For us Graham Clark's Quint is a seedy, shifty, shabby figure, with a hard, tedious stare in eye and voice, Rosalind Plowright a Miss Jesse, a lost, distraught wraith with passion in every utterance. They have more of freedom and enchantment to offer the charges of Mr. Grose and the Governess. When Flora is taken away from Bly and Miles dies in the Governess's arms, they do not

The ghosts of childhood

The Turn of the Screw
London Coliseum;
Eastbourne

La Bohème
Covent Garden

Is it the anniversary syndrome that has turned 1979 into so copious a celebration of Benjamin Britten's *The Turn of the Screw*, first performed 25 years ago? Scottish Opera has revived its own, highly laudable interpretation at the Edinburgh Festival. Welsh National Opera has been showing another production, derived from one for Western Festival. Last week two more were unveiled, in London and Eastbourne respectively by English National Opera and (celebrating its tenth birthday) Kent Opera. Why, unless for silver jubilee reasons, so many turns of Britten's screw since last this page was printed?

There are practical reasons: *The Turn of the Screw* is a useful repertory piece, requiring no more than six or seven singers and 13 instrumentalists. The action of Henry James's ghost-story involves 15 changes of scene, with only one interval, preferably done quite simply. Horror stories nowadays appeal to audiences at least as much as in times past, especially where children are involved.

The ENO production, now to be seen in repertory at the London Coliseum in Jonathan Miller's new production, breaks fresh ground. It exploits to the full a high, wide and deep uncensored open stage without sacrificing stage-orchestra balance, or the audibility of words, or the oppressive nature of the tale. The intention is clearly to increase the impact, not to make it more cosmetic, but to bring home the apparent physical vastness of a child's surroundings, and thus suggest how hardly children's curious behaviour will be comprehended by elders who have forgotten the relative dimensions of childhood.

At the Coliseum the acting area is diamond-shaped, jutting over the orchestra pit. The walls, screens behind, at first silver-grey, then black, are transparent to show the huge facade of Bly, without and within, even that of the local church. Children judge everything in terms of either good or bad, and accordingly the spectacle is in monochrome. Miller's production also sug-

gests that the children have not so much been perverted by ghostly influence, but have rejected the society of living adults, and turned away to the alluring world of their ghostly friends. For us Graham Clark's Quint is a seedy, shifty, shabby figure, with a hard, tedious stare in eye and voice, Rosalind Plowright a Miss Jesse, a lost, distraught wraith with passion in every utterance. They have more of freedom and enchantment to offer the charges of Mr. Grose and the Governess. When Flora is taken away from Bly and Miles dies in the Governess's arms, they do not



Meryl Drower as Kent's Governess

think themselves saved but defeated by the machinations of ordinary grown-ups.

The ENO production is dominated by Eileen Hano's tortured, nobly sung Governess and Ava June's cosy, youngish Housekeeper, but only as victims of their charges. They are Michael Cinn, whose confident, demagogically postured Miles, outwardly a young boy but within past all childish things, is a terrible feat of histrionic skill, sung with uncommon strength and musicality; and Iris Saunders whose Flora bears spiritual possession in a face of fearsome, screwed-up malevolence which ever grown-ups loom. Lionel

Friend conducts an appreciative, not altogether secure orchestra, and cares greatly for qualities of structure and ensemble.

These are as much in evidence as, and more precisely adjusted in, Kent Opera's version conducted by Roger Norrington. Kent Opera uses real children in both parts: Rebecca Platt, as Flora, is more subtly malign, like a girl who has learned to put a virtuous face on her calculated naughtiness; Sam Monck is a highly sophisticated Miles, a precocious society beau who adopts childish behaviour as a cover for the secret path into which Quint has guided him. Meryl Drower successfully impersonates the Governess as a terrified mouse attempting desperately to assume the bravery of a mother-lioness.

Nicholas Hytner is in charge here of a deliberately miniature production, with minimal settings by Douglas Heap, apt for musing. The ghosts are, musically and visually, more indefinite—usually seen half-veiled behind the backcloth, it is a disappointment when they take the stage, as in the beginning of the second act. Neil Jenkins's Quint is sung with a withdrawn force, precisely how we may imagine a ghost.

The revival of *La Bohème* at the Royal Opera House is chiefly notable for the Mimi and the conductor, both new to the production by John Copley. At the helm is Carlos Kleiber, moulding Puccini's music with infinite subtlety of inflexion and pace. In the first act he seemed to be applying the interpretive magnifying glass too ardently, even with self-indulgence; hardly a bar of music was allowed to flow naturally. From the second act onwards the poetry began to flow freely, and in its wake the gently released of the tear-duct, *sine qua non* for an acceptable account of *La Bohème*.

Ileana Cotrubas's Mimi takes a welcome place in this production. She sings the set-pieces with a winsome lyrical intensity that ranges from intimate to passion, and heightens conversation with eloquence without breaking the illusion of spontaneity. Here is, in any case, a spirited Mimi, no drawn into romantic attachment so much as pitching herself enthusiastically into the promise of a desirable amour. Sonia Ghazarian's Musette is not an all-out vamp either, but rather a high-spirited, attractive girl. The male bohemians are already familiar here.

William Mann

Why London will lament its Open Space

The Father
Open Space

Julius Caesar
Royal Shakespeare

From the Greek
Arts, Cambridge

Over the years I have written several needless obituaries for the Open Space. I hope this one will be as premature as the others. But, as things stand, the company will be out of its Euston Road premises by next month, with no immediate prospect of being rehoused. Promises have been made, but priorities are apt to get shuffled as time goes by, so before the company slides out of sight it is worth stating the obvious once again: namely that no small London house approaches the Open Space's achievement in combining variety of work with the development of its own style. And that its disappearance would leave a gap that no other theatre could fill.

Charles Marowitz's outgoing production of Strindberg's *The Father* is a good reminder of what the Space has to give, though the theatre's regular customers may be surprised to find a popular classic played pretty well intact. Aside from the opening tableau of the Captain in his strait-jacket observing acts of treachery by his womenfolk, the production

sticks to Strindberg's narrative line. But the cumulative effect is no less radical than Marowitz's Shakespearean cut-ups, in the sense that it compels attention to the content as if to a brand new work.

Past productions of *The Father* have generated an atmosphere of prophecy. The Captain and Laura confront each other as two outside monsters. It is clear from the start that he is going to blow a fuse and the one image you take away is his frenzied assault with the burning lamp. The air is thick with bloodstained emotion for sober sense to get through. Taking full advantage of the intimate setting, Marowitz obliterates the gladiatorial flourishes and presents—as Strindberg's stage directions imply—a mortal combat between two long-practised antagonists who rarely need to raise their voices.

The first thing to be said of Denholm Elliott's and Diane Cilento's performances is that they entirely dispel the idea of Strindberg the paranoid sexist. These muted duels are absolutely true to married life: the partners have covered this same ground many times, and even defend themselves by discussing their unending enmity in the tone of specialist academics. There is nothing of the domestic demon in Miss Cilento's quietly invulnerable Laura; and if Elliott's Captain conveys defeat from the start it is through the crumbling smile of an overgrown public schoolboy. His casual explo-

sion against the Doctor is more appalling than anything he says to his wife.

The production changes key when madness enters the story. Having her husband committed is a new idea for Laura, and Marowitz signals this with a conspiratorial light change, but not at the expense of the subsequent debate which explores the issue of marriage as a business partnership and shows Strindberg characteristically leaping the time gap. For all its expressionist details, this is a production that honours the name of naturalism.

Something has gone badly wrong with Barry Kyle's production of *Julius Caesar* (Royal Shakespeare, Stratford-upon-Avon) quite apart from the lead conspirator's leg injury which occasioned its postponement a month ago. Indeed, the film which James Laurensen brings to the role of Cassius is much the most distinctive feature of his performance, which merges all too unresistingly into the generalized picture of big-bearded republicans booming rebellion to an off-stage backing of fanfares and thunder. As there are some good actors buried away in the anonymous draperies, Mr Kyle has prolonged their life-span, with the unhappy result that we see Casca and the other Roman nobles turning up as biddable other ranks at Philipp's which leaves me wishing he had also spared Cinna the Poet from the full fury of the mob and let him hobble in as a mutilated spectre in the text scene.

That scene at least does generate its accustomed power—thanks partly to Ben Kingsley's superbly splenetic Brutus (a smiling stolid visited by outbursts of hysterical wrath) and partly to the fact that the text itself establishes a real location in Christopher Morley's diagrammatic set.

This consists of a sandpit acting area enclosed within a hinged crash-barrier and surrounded by two observation ladder lighting rigs. Whatever its metaphorical value, its physical effect is to diminish the Stratford stage and suggest a studio production dumped in the main house. It cramps the play instead of concentrating it: the battle scenes are reduced to individual duels (including a boxing match), and the mob assert their presence with well-drilled unison shouts arising out of dead silence. In Antony's funeral oration they even remain in darkness while a spot plays on the orator.

Set and production are certainly consistent, but their only positive contribution is to intensify the focus on the principals, among whom there is a distinct lack of heroic muscle, even from actors like John Woodvine (Caesar) and David Threlfall (a ready Mancunian Antony) who have shown plenty of show in the season's earlier shows. Mr Kingsley apart, the performance I shall remember is Emma Williams's pugnacious Portia.

In *From the Greek* (Arts, Cambridge) Frederic Raphael presents a strife-torn family

reunion in a desolate Arizona hotel, haunted by the memory of its former owner who died long before in a car crash leaving his widow and son to run the place. In scenes flashing back and forth over 25 years the plot thickens with filial hostility, falling business, incest and the suggestion of murder; not to mention the fact that son Tony walks with a limp (never adequately explained), by which time the Oedipal penny has dropped. There are some good passages of angry comedy in the play where Mr Raphael departs from his model; but the enterprise of reconstructing Thebes in the Arizona desert has left him with a pile of bricks that fail to fit together. Jonathan Lynn's production offers a fierce, time-defying performance by Maxine Audley.

Recommendations for the month: — *Amadeus* (Olivier); the major British play of the year, a shared triumph for Peter Hall (director), Simon Collow and Paul Scofield (as Mozart and Salieri) and Peter Shaffer who has at last achieved a text as strong in its development as in its basic idea; *Middle Age Spread* (Lyric); I Sense a Letter to my Love (Greenwich); *Things That Go Bump in the Night* (Arts matinees): Outstanding play for the under tens, despite the title (translated from the German of Volker Ludwig), with performances and design quality.

Irving Wardle

The world's leading firm of auctioneers welcomes the return of the world's leading newspaper

William Rees-Mogg and Barry Fitzpatrick give their views of The Times dispute from opposite sides

The terrible price we have paid

"We decided that we would not go on producing our newspaper in a way which was obsolete, extravagant, wasteful and inefficient"

The purpose of The Times Newsprinters' negotiation was to achieve higher productivity through the introduction of new equipment, the reduction of manning and the elimination of unnecessary disputes. The agreements follow that policy. The use of new equipment has been agreed, though without journalists' access at this stage, manning reductions have been agreed and the settlements provide both for a new dispute procedure and for the elimination of many matters which have caused trouble in the past. Obviously these gains depend on the agreements being successfully carried out.

The benefit can be measured. In the production areas Times Newsprinters will have a 20 per cent reduction in manning and a 10 per cent increase in capacity. If 30 per cent of the work force produce 110 per cent of their previous output, the productivity per head rises by 37.5 per cent.

Such a productivity agreement is obviously of substantial benefit to the commercial future of our newspapers, a benefit which will continue to grow in future years as labour costs continue to rise. Equally they are of great benefit to the staff, whose pay has been brought forward well below Fleet Street levels to the level of the higher, though not the highest, Fleet Street rates.

Had we been able to get such a settlement without suffering 50 weeks' suspension of publication we should have been entirely delighted with it. The question that has to be asked is why such a productivity agreement, to the benefit both of the company and its work force, took nearly two

years to negotiate, including nearly a year of suspension of publication. Some commentators have suggested that the benefits could have been achieved without any stoppage at all. There is no evidence to support that view. Indeed the company has been trying to negotiate some of the lesser benefits of the new agreements for years past. In at least one case it had been in discussion since the middle 1960s and such negotiations had been quite fruitless.

I do not put down the difficulty of negotiation to the element of ill will. A small number of trade union officials involved in the dispute hold militant left-wing views to which they are perfectly entitled. The majority do not. I could not see that the actual conduct of trade union negotiators was mainly determined by their political philosophies. Militants certainly do not see reality as I would see it, but their conduct was primarily determined by a competitive search for benefits for their members.

There were two main causes of the difficulty of negotiating such obviously desirable agreements. One was the structure of the trade unions, which gives effective veto power to each separate negotiating unit. The other was the structure of the industry. It is in effect a separate sovereign power seeking to maximize its own advantage relative both to the company and to all other chapels. Chapels are of course strongly influenced by the national policy, but the unions to which they belong and by the national policies of those unions, but in the end, as the NGA rule book states, it is the individual chapel that has to decide.

A major reconstruction of pay and productivity does therefore involve an exercise almost comparable to the problem of lining up a unanimous vote in the United Nations. You have to get all these sovereign chapels to agree not only that the settlement with them is in their interest, but that no other part of the settlement confers an unfair degree of benefit on any other chapel, and particularly that there is no undue benefit to the chapels whom they regard as their traditional competitors in pay settlements.

Repeatedly attempts to complete the settlement were frustrated by disputes over differentials; it was often impossible to give some chapels what they were asking for without causing other chapels to withdraw their consent.

The second difficulty is that Mr Michael Foot rigged British industrial law so that which ought to exist between the employer and the trade unions has been totally destroyed. At every point the law puts the weapons into

the hands of the trade unions while leaving them immune to the employers' reply. It takes much longer to reach reasonable agreement with unions because they know, and their members know, the position of strength they are in.

An employer finds that the combination of enshrined chapel or shop floor power with the union bias of the law makes outside help almost totally ineffective, even when the help comes from the trade union movement. Our productivity proposals were exactly in line with TUC policy. The TUC tried to help to reach a settlement. Mr Len Murray tried sincerely and tried hard. The TUC efforts were ineffective.

Our proposals were also in line with the policy of the Labour Government. Both Mr James Callaghan and Mr Albert Booth tried hard to help to reach a settlement. We were grateful for their assistance but that too was ineffective.

The Conservative Government's position is equally ineffective. They too want higher productivity. They

do not believe in intervening in industrial disputes; that is quite sensible because their intervention would only add to the cost of settlements. They have decided not to alter the legal framework in any significant way; they are maintaining almost all the major features of Michael Foot's law. So they ask employers to fight the battle for higher productivity on a ground landscaped to give union power every possible advantage.

The negative attitude of most of the other newspapers is understandable but not to their advantage. I give *The Daily Telegraph* my thanks for publishing an article of mine *The Observer* commissioned, never even saw, but were too cowardly to print. Most newspapers think they cannot expect to get the productivity agreements we sought, and obtained that therefore they should not try. The most nearly comparable newspaper, the *Financial Times*, announced plans for introducing new technology and then took a board decision to withdraw the plans because they thought it would not be possible to reach agreement. They decided to remain inefficient. They have followed our lead in introducing new technology for statistical material, but that so far is all.

I recognize their difficulty but I think it is very alarming that Britain's leading business newspaper should have taken the decision not even to try to introduce modern methods of production. I do not see that it will necessarily become easier to introduce new technology in the composing room later on. Indeed it becomes progressively

more expensive and more difficult to move from Linotype to the electronic composing room, because of the need to buy out the piece rates of a Linotype composing room. In other houses these piece rates have already reached levels of £450 to £500 a week; a standard composing room rate related to such levels is already prohibitive. One of the disappointments of the coverage of our dispute in other newspapers was that no one compared the rates they themselves pay. Their analysis was less than fair.

We decided—with the full support of Lord Thomson and the International Thomson Organisation—that we would not go on producing our newspaper in a way which was obsolete, extravagant, wasteful and inefficient. We felt that it was not fair either to the company, to its employees or to the nation to do so. We have paid a terrible price—the loss of nearly a year's publication permanently taken out of the record. We neither sought nor been known to receive any assistance from Fleet Street. Yet I do not believe in the present competitive situation of Britain that it is an honourable thing for boards of directors to decide that they are not going to try to run their businesses efficiently. I am glad we have achieved higher productivity, even at this cost, and believe it can lead to better rather than worse relations with our staff on whose quality everything depends.

William Rees-Mogg
© Times Newspapers Ltd, 1979

Why both sides must change their attitudes

Unions generally find it difficult to get a fair hearing in the media; those working in newspapers are no exception. It is a sad fact that throughout The Times dispute, those of us responsible for representing the workforce involved have frequently been disappointed by the lack of coverage of the issues, and the overemphasis of the more sensational aspects of the dispute.

A year ago when *The Sunday Times* and *The Times* suspended publication we were the only paper to be an issue within the British Labour movement. The 1978 TUC conference will be remembered for Clive Jenkins's dramatic announcement of the arrival of the silicon chip.

What is disturbing is that since then the debate in the media concerning the effects of micro technology on society, with its cheapness and availability, has yet to show any real concern for the social dangers that arrive with its introduction. It has, in fact, so far been a one-sided discussion.

The plans announced by Times Newspapers last year were opposed for three good reasons:

1 They were hurriedly conceived and presented to the workforce as an ultimatum—accept these conditions for change or be dismissed.

2 The proposals contained no concessions other than redundancy payments in return for enormous job and skill losses in an industry that already had reducing job opportunities.

There was a glaring absence of any social package that would provide for alternatives to alleviate the loss of work, such as shorter hours, more holidays, earlier retirement and new careers for those whose

jobs would be replaced by the technology.

The strategy relied on abusing the readers, without whom the whole argument was meaningless—they punished you, the reader, as well as us, by suspending publication.

It was disagreement over the lack of concern for the prolonged dispute and led to many of the problems which have delayed settlement during the past 11 months.

We have seen too often the price that has been paid by the nation as a result of a failure to evenly debate major issues in public. How many people would still choose to be members of the EEC? Were the implications of the changeover to containerization in the dock industry fully understood? Thirty-two ton lorries are now with us. It is now too late to have the debate on these and many other issues.

I make these points to draw attention to the fact that no discussion of micro technology and its social impact is really "taking place and yet it will affect every man, woman and child in the country."

For reasons that are not entirely clear to me the public is being persuaded that new technology is a panacea for all ills, a narrow technological and business fashion—the human implications are being ignored, international competitiveness is the issue.

I hope that the settlements reached at Times Newspapers, and the conditions and principles that some of them have secured, will eventually become widely understood and their direct bearing on other industries facing technological change be appreciated.

It is not my intention to

dwelling on the mistakes and attitudes of the past 11 months. Responsible leadership must be about the future, but I do regret that the £30m to £40m spent by Times Newspapers on the dispute does not represent a penny invested in either plant or employees. It has simply been money squandered. A fraction of it well-spent could have secured the new technology and many of the benefits and social improvements that we all want to see.

Of course unions and their members from time to time bear some responsibility for intervening newspaper production. In my experience, however, it is rare for this responsibility to be found solely on one side or the other.

We hope that Times Newspapers management is sincere in its declaration that it wants a better relationship with its staff in the future. There is an awful lot of hard work still to be done, and much of it will involve both sides changing their attitudes at times, but nowhere is it more important for the whole staff to believe they are working together than in a newspaper. If this intention can be maintained through the agreements, prospects for Times Newspapers can be very good indeed.

Our message to Times Newspapers therefore is simple: Use the energy and expertise that exists on both sides to develop and expand our business.

Do not reject bold and imaginative solutions to the problems that new technology is creating. Listen to what we have to say rather than assume you are always right—employees are also people.

Finally, acknowledge that the real owner of a newspaper is the readers and that they have rights, too.

A newspaper belongs to the nation it exists for the whole community rather than the other way round. Use the opportunity of new technology to bring about a greater diversity of the press.

Barry Fitzpatrick
The author is chairman of all union liaison committees of Times Newspapers

© Times Newspapers Ltd, 1979

Moreover, I see that my old friend A. Spokesman, this time representing the Iron and Steel Trades Confederation (the principal union in the industry) has given the details of his organization's plans for resisting the reductions and rationalizations determined upon by the management of the British Steel Corporation in order to save the industry from total ruin or indefinite further losses of a million jimmies-a-goobins a day, which even shall be the winner, and for that matter the more expensive. The programme so far announced includes a ban on overtime and a one-day strike, possibly followed by more of the same. Young Spokesman, announcing this excitingly original method of keeping the steel industry going, observed—correctly, I dare say—that "The overtime ban will cripple the industry and ultimately bring it to a halt," and added, in what I could not help feeling was something of an anticlimax, "Within a week it will have a tremendous impact."

Now that you must admit, really is like old times. There is a Chinese proverb (for once not attributable to my Confucian ancestor, Lee Vin) which says "Do not burn down your house even to inconvenience your wife's mother," and I can not help feeling that the rapid dispatch of a pokerwork version of it to the union's headquarters is now called for. Faced with the prospect of a crippled industry, the representatives of the union concerned declares that in order to avoid this tragic development, his members are to take action to cripple the industry.

I considered the possibility that the lack of logic in the proposal had been spotted, but that the point of it was the staking of a claim by the union to a monopoly of any crippling that needed to be done. Perhaps, I thought, the steelworkers' union, whose members insist that they, and they alone, are recognized as the traditional craftsmen in this field, and that no attempt to usurp the function of this management, or indeed by any other group of workers in the industry, can be permitted. The theory was given added force by the promise that the union was determined not merely to cripple the industry but to "bring it to a halt," which raised the possibility that there is also a Halt-Bringers Branch in this rapidly exciting organization, so less jealous of their

Of Crippleers, Halt-Bringers and working men

ancient rights and privileges than their brother Crippleers. In the end I rejected the idea (it would also have necessitated, in the light of the union spokesman's final comment, a Tremendous Impact: Group) as too improbable to be seriously entertained. And yet you will surely agree that the explanation in this case is hardly the very first one that would naturally spring to mind. "I'm walking backwards for Christmas," sang Spike Milligan in his good and solid ditty, but there was no suggestion that when he set out on this curious exercise he was standing on the edge of a cliff, and facing inland. Yet that, roughly speaking, is the situation in which the Iron and Steel Confederation finds itself, and it gives every sign of being positively eager to step smartly off with the right foot.

Now a highwayman who pointed the pistol at his own head and insisted that his passengers in the stage-coach did not hand over all their money he would pull the trigger might be thought to have missed his vocation, and a union which, having materially contributed to the ruin of the steel industry, now proposes by way of remedy for that state of affairs, to set about the task of ruining it, could likewise be held to be less than fully equipped for its chosen profession.

Many things, of course, have contributed to the decline of the British steel industry, including management failures, the terms of trade and an international decrease in the demand for the industry's products. Yet few, I think, will deny that a powerful additional push in the direction of the cliff edge has been provided by the overmanning and restrictive practices imposed and maintained by the Iron and Steel Trades Confederation. And when, finally, patience and/or the supply of other people's money ran out, and the closures were decided on, the

only response of the union leaders was to proclaim that the only way to avert the disaster could only result in further closures. (Would those who, having read this far, were about to write to me to denounce me as a callous brute who doesn't care about the fate of the unemployed, kindly send the letter instead to the union, preferably accompanied by a looking-glass.) It may be that the steelworkers' union has indeed an entirely new form of Luddism. Instead of smashing the machinery in the belief that it is putting them out of a job, its leaders are willing to go to any lengths to tend and care for it and to keep it in a state of harm even to the point of shrouding it in dust-sheets and standing guard over it lest some villain should creep in in the middle of the night and set it in motion. In which case, it is a refreshing modern approach to an old problem (which itself gives the lie to the charge that our unions are reluctant to abandon methods that have long since been superseded) that they are far from alone in the ranks of British industry.

And yet I cannot help noticing the results of the British Leyland ballot on the rationalization of that Cloaca Maxima of taxpayers' money. When the figures were announced, I heard a radio announcer comment on the fact that the union official, who had been leading the opposition to the management's proposals, and who had just seen his advice rejected by 87 per cent of the employees, commented on the outcome in that allusive whine employed by a certain kind of senior shop steward. Was he amazed? Did he regard this overwhelming vote as evidence that he had not been offering his comrades the best advice? Could the listener deduce from his words or demeanour that he was going away, if not to put his head in a bucket, at least to climb to the top of a high cliff and look down at his views, in case they

should need adjusting or even replacing?

Not a whit, he defied surgery. He was full of rebuke for the majority who had voted for the proposals, full of his own rectitude in advising them not to, full of certainty that they would rue the day. And when, therefore, hot on the heels of the British Leyland decision by the workers, there came the contrary BSC decision by the workers' leaders, I could not help wondering what might happen if the employees of the steel industry were to conduct a secret ballot on their management's proposals for reducing their numbers and in other ways making the industry more competitive and potentially profitable. No doubt conditions in the two industries are very different; possibly the relations between union leaders and union led are also not strictly comparable. But I do not claim that 87 per cent of the steel workforce would vote as their BL counterparts did; knowing what a dusty answer gets the soul when hot for certainty in our life, I only wondered what might be the outcome of such a replica of the choice offered to the car-workers.

It is an important principle of English law that silence is not to be taken as consent; if I send you a reply-paid telegram offering to buy your wife for £10,000, to cash and adding that if I do not receive a refusal of my offer I shall consider it accepted and arrive to take possession, the courts will not uphold my claim if you ignore the telegram. In that is, the unlikely event that the Post Office has succeeded in delivering it.)

Surely what is sauce for the wife is sauce for the shop steward. Perhaps union leaders who gaily announce that they are about to cripple an industry that many would think is quite sufficiently crippled already, and possibly a bit over, may not be quite so closely in touch with the feelings of their members as they think. Perhaps the fact that the BSC employees did not when they read their leaders' words, immediately rise in their tens of thousands to repudiate them need not mean that they applauded them. It may be that they were indeed only waiting to be asked to make known with their votes feelings quite different from those attributed to their silence. It is quite possible, in other words, that the British workingman is not quite so stupid as his elected union representatives would have us all believe.

© Times Newspapers Ltd, 1979

Continuing our series of new words and new meanings

Bored with Board

The classic words on returning after involuntary and disagreeable absence are: *Diebus hesternis die*. They were adopted by William Connor in 1945, when he came back from the war to resume his column in the *Daily Mirror*. As I was saying when I was interrupted, it is a beautiful hard thing to please all the people all the time.

The originator of the defiant phrase was not Cassandra, but Fray Luis de León, the sixteenth century Spanish poet and mystical theologian. He fell into the black books of the Inquisition for translating the Song of Solomon and criticizing the text of the Vulgate, and was sent down without the option for five years.

When he was let out, he resumed his lectures at Salamanca University in the early elegance of a learned tongue. "We were saying yesterday," they are suitably dignified words for *The Times* after our recent indignities. *Diebus hesternis die*.

There has been time in this foul Timesless year to meditate in union meetings on the new jargon of industrial negotiation. What and whence, for example, is this board across which wage increases are now legitimately demanded, and occasionally obtained?

As John Stuart Mill observed priggishly about the wages of sinners: "The bad workmen, who form the majority of operatives in many branches of industry, are decidedly of opinion that bad workmen ought to receive the same wages as good."

We all know that the idiom means that whatever cake is being divided, whether baked of salary increases or tax cuts, will be shared equally among all of us, so reducing, with any luck, base envy. But how come? Is the board in the metaphor blackboard, chessboard, notice board, skateboard, or springboard? Do we imagine the cake on an archaic table about to be cut up by a knife as nice as Solomon's? Or is the money, in its pretty new slang metaphor of bread, pictured on a breadboard waiting to be sliced?

At first meditation by a Briton in a union meeting the most probable board seems to be the boardroom, table with which negotiations are conducted.

The answer is odder and prettier. Across the board is a recent mug's or punter's slogan from the United States. To bet across the board is to place a combination bet on a horse to win, place, or show, which last in the language of Harry the Horse means to finish third, or at least third, which I thought was the same as a place.

This complicated way of providing for the sleek old age of bookies was first noticed by the watchful Webster in an addendum in 1950. It was adopted into the language of bargaining, first in the United States and then in the United Kingdom, to mean embracing all classes, categories, or employees without exception. It is about to become a familiar and useful a modish phrase that it is difficult to imagine how anybody negotiated for a general wage increase before some company executive or union official took a day away from the smoke-filled boardroom about 20 years ago to play expensive permutations on the part-mutual machine. But, of course, anybody did.

Across the board used judiciously is a valuable addition to the vocabulary of TUCspeak and CEnglish. It has an engaging origin. But it is just possible that we have become so fond of it we are about to turn it into a dead cliché, that passes in the ear and through the mind without causing a ripple.

Philip Howard

LONDON DIARY

Changing chairs at the FO

Dipping a tentative toe, after all these months, back into diplomatic waters, I find some interesting redeployments in the higher reaches of the Foreign and Commonwealth Office.

Sir Donald Maitland, the logical man to have sent to Washington, the eccentric decision not been taken to pluck Sir Nicholas Henderson from retirement to succeed Mr Peter Jay as ambassador there, has left Brussels, where he was the United Kingdom's permanent representative to the EEC. Sir Donald is to be deputy to the permanent undersecretary, Sir Michael Palliser.

This was a Sir Anthony Duff after his return to London in 1975 following a very successful spell as High Commissioner in Nairobi. Sir Anthony was with Sir Michael Palliser, leading the FCO team in the continuing Zimbabwe-Rhodesia talks in London until obliged to go to hospital for a hernia operation.

An immensely able and genial man, he has been tipped as a possible governor to steer Zimbabwe-Rhodesia through fresh elections. He would normally be due to retire next February.

Occidental Express

Here is a delectable prospect for merchant bankers, craft union operatives, accountants, moonlighting plumbers and other *anciens et nouveaux riches*: Mr James Sherwood, a London-based President of Sea Containers, pioneers in the design and use of container ships—is to re-create the heyday of the Orient Express in a train which will ply twice weekly from Victoria, London, to Venice, via Dover, Dunkirk, Paris and Milan, and back.

There will be 18 coaches, all ex-Orient Express, Pullman and other choice. The coaches will have a private bathroom with shower. The coaches, acquired over a two-year period, are currently being restored to the original standard by marquetry and other specialists at Iron, in Spain, and Carforth in Yorkshire.

The food will be equally highly cooled: kitchen services will be in the hands of the Cipriani Hotel, on the Venetian island of Giudecca, a refuge for the fastidious rich which Mr Sherwood bought from the Guinness brewing family in 1976.

Mr Sherwood, who is 45, has an English wife with a PhD, lives in the Boltons, Kensington, and publishes a *Discriminating Guide to London* ("Fine dining and shopping") every other year. No need to rush yet for tickets for his London-Venice yabberies special: the service will not open till spring. The price is likely to be adjacent to that of a first class air ticket, currently £370 return.

Marks and Churchill

One might think that Sir Winston Churchill and Marks and Spencer had little in common—before that is today's publication of the picture biography of Churchill. In fact, 50 years ago, shortly

after M & S went public, Churchill bought £3,000 worth of shares in the company. He had to sell them 10 years later when he fell on hard times (so hard that he actually put Chartwell up for sale, in the columns of *The Times*, naturally).

Had he been able to retain his shares—as he did his home—he would have been worth well over £300,000 to his descendants today.

The new picture book, with a short text by his biographer Martin Gilbert, contains many unpublished photos. One shows Churchill lunching with his publishers in the 1930s, and lighting up a cigar.

Charming though it is, it gave the great man little pleasure. He had a thing about press pictures taken at lunches and meals, especially those catching informal moments. They distressed him to write a letter to *The Times* in November, 1937, denouncing the "discourteous practice" whereby photographers "walk around the room taking unexpected close-up snapshots."

This was "an abuse" which, he wrote, "should surely be brought to an end." He added: "I recently saw a photograph of President Roosevelt with his mouth half open in the act of eating and drinking."

When did people stop thinking your country was worth betraying, Simon?



Land of hope

People really do exist who still admire the British. One of them is Herr Manfred Rommel, Mayor of Stuttgart (an elective and influential office) and son of the good German general.

Herr Rommel, who is 50, bespectacled, pipe-smoking, yet amusing, has been in London to study inner city development and traffic control systems. Dining with him, I felt at fault in the old country rising like a successful soufflé.

Herr Rommel admires, *inter alia*, the continuity of our values, our interest in history (all those biographies), the straightforward way we tackle problems, and our serious newspapers.

He sees something of a spiritual crisis in the Federal Republic. "For 30 years we have tried to replace morals by laws," he said. "The younger generation think their elders are interested in nothing but money and careers. The young want the economy to be their servant, not their master. They want to believe their personalities can grow even if the economy doesn't."

Visiting the Commons, Herr Rommel admired the brevity of the Government's answers to questions—and the absence of television cameras. Their presence in the Bundestag has, he believes, discouraged genuine debate and encouraged declarations tailored to television's needs, and often fed to reporters in advance.

Roger Berthoud

BY APPOINTMENT TO HER MAJESTY THE QUEEN

SCOTCH WHISKY DISTILLERS

JAMES BUCHANAN & CO LTD LONDON

THE BUCHANAN BLEND

OLD SCOTCH WHISKY

James Buchanan

DISTILLERS GLASGOW & LONDON

TYPED 757cl 20% alc/vol

Old master - new frame

When you see James Buchanan's portrait on the bottle you can be sure of an outstanding scotch. He produced his Buchanan Blend back in 1884 and the tradition he laid down is still faithfully followed, and today's Buchanan Blend is sought after by discerning scotch drinkers.

Before you order your next scotch, look for the bottle with James Buchanan's picture—and enjoy a really distinctive whisky.

The Buchanan Blend
THE SCOTCH OF A LIFETIME



New Printing House Square, London, WC1X 8EZ. Telephone: 01-837 1234

THE SPARKS ARE FALLING ON THE GUNPOWDER

The Times Newspapers stoppage arose out of the management's proposals for a complete range of productivity agreements, and was certainly influenced by the belief that British industry can only survive if there is a change, indeed a revolutionary change, in productivity. In our own affairs we have achieved agreements which do provide for much higher productivity; in general terms productivity per man will be more than thirty per cent higher, we have agreements to introduce advanced electronic equipment and pay will be at the top end of the Fleet Street scale, but not outside it. The significance of these agreements, and the consequences of not trying to reach such agreements, can be shown by one comparison. By 1981 it will be very possibly, cost *The Financial Times*, at piece rates on the continued use of obsolete equipment, as much to set a news column as it will be costing *The Times* on electronic machines to set a page.

It was of course a year of agony to go through. If at the beginning we had foreseen that the stoppage would last fifty weeks, and then would only be settled within a few hours of a final deadline, it must be doubtful whether we would have gone ahead. Yet the alternative was a miserable one. Without a willingness to press the question home, it would not have been possible to negotiate the new agreements. The evidence for that is that the rest of Fleet Street, which is on average more overmanned than we were—and with the exception of the Mirror Group does not have any comprehensive introduction of the new technology—has not even tried to negotiate comparable agreements.

Protectionists

Yet during our absent year it has not been the productivity of Fleet Street but that of Britain which has become the essential question. Fleet Street does not face foreign competition; it is placed by natural circumstances in the position in which the protectionists want to put the whole of British industry. National newspapers can therefore survive at an even lower level of comparative productivity than the rest of Britain. Yet the Fleet Street disease is only the British disease in a more acute form.

Indeed while we have been away our warnings about the consequences of low British productivity have increasingly been fulfilled. The fight for the survival of British Leyland continues, and no one could do more than Sir Michael Edwards to try to save that company. But despite the ballot vote in favour of redundancies, it remains a fight against heavy odds. The crisis of British Leyland stems from low productivity, with output per man a fraction of that achieved by their main international competitors. Low productivity and irregular production have resulted in low investment, and low investment has contributed further to low productivity.

Annihilation

The same threat hangs over shipbuilding and steel. In all three industries, cars, shipbuilding and steel, British output per man is probably no more than a third of the normal international competitive level. Indeed that seems to be the crisis point. Even efficient British firms are usually overmanned by between 50 and 100 per cent; they survive because the British standard of living and therefore of wages is below the average of our competitors. Inefficient British firms are often overmanned by 200 per cent and upwards; they tend to disappear.

In the 1980s this disparity of productivity will probably become much greater. A technological revolution is taking place which substitutes electronic for mechanical systems; in specific cases it can give an increase in productivity per man of several hundred per cent in a single jump. The introduction of these systems is dependent on trade union agreements. Yet if we take British productivity as 100, and American, German or Japanese as 200, and then multiply our competitors' productivity by, say, five, to allow for the general adoption of electronic methods, we are left with productivity ratios of 10:1. Such ratios are not maintainable; and where they apply, the low productivity mechanical British industry will be replaced by its high productivity electronic foreign competitors. It is not just the end, it is annihilation.

How could it be otherwise? Customers want good service; they want to be able to buy a good product, with reliable delivery, at a fair price. Even in a period of buoyant world trade, reasonable productivity is necessary if these requirements are to be met. As we are entering a period of recession of world trade, competition becomes more intense. The world-wide shift from mechanical to electronic technology offers opportunities to raise productivity and quality

which our competitors take and we reject. Britain is left competing with obsolete equipment and gross overmanning against modern electronic equipment and tight-manning standards. That is suicide.

Such is the reality of the matter, and it is the lack of a sense of reality in Britain that is particularly disturbing. This was apparent in *The Times* dispute. Even some journalists, even professional journalists with a professional knowledge of industry, seemed to feel a resentment at the idea of higher productivity, rather than welcoming it. It is not for us to criticize the coverage of other newspapers except in one respect. The majority of the comment showed either ignorance or even more astonishing complacency about the situation they themselves were in. It was like men on a burning ship watching a shipmate swimming ashore through dark currents, and saying, "Look at the poor fellow—he is liable to be drowned, and he is certainly getting wet." Beneath their feet the sparks are falling on the gunpowder.

In the end only efficient businesses survive; at any stage it is efficient businesses which pay the highest wages. Efficiency requires that the resources of the business should be used as well as possible; in particular it is wicked to waste people and their work, for work is mankind's chief resource. To achieve efficiency it is necessary to welcome change and new techniques. A manager who wastes labour is letting down not just his shareholders, but the people who work for him, and more broadly the nation; he is unpatriotic. He puts his employees' jobs at risk; he makes it impossible for them to earn as high pay as they could otherwise get, or perhaps to earn anything at all.

Yet this is not how the British think. The British view is that jobs are absolutely scarce, which of course in a low productivity industry they soon become. If jobs are scarce, they argue, the best thing to do is to impose them on the employer and to make him employ more people than he needs. New techniques destroy old jobs to build new ones, so we reject new technology.

Financial base

The problem of productivity is normally seen in terms of industry and of competitiveness in export markets. The problem extends however into services, and particularly into public service. It is notorious that spending on most public services has risen, both in nominal and in real terms, but that the public find no improvement in benefit; we are not better taught or cared for, though expenditures on education and health have risen greatly. Now the Government are trying to stabilize public expenditure in real terms, and the public believe, probably correctly, that this will mean a cut in the real quality of the services. That is because productivity is still falling.

Like the National Health Service, it will collapse, it will certainly be because productivity has failed. It may be because of the failure of productivity in industry, whose success is the financial base for all our public services. It may be because the productivity of the service itself falls too low. There are problems of productivity in the operations of the service; a child with a heart murmur will be examined on average more than six times by different doctors before he is referred. There are still greater problems of low productivity in support services. We are in danger of moving from a hospital service primarily staffed by doctors and nurses to one primarily staffed by porters, cleaners and cooks. This shift of emphasis from principals to support staff can already be seen at the National Theatre or Covent Garden, where it is the low productivity and high pay of sceneshifters which raises the cost of productions, not that of actors or musicians. "Did you see the Ring? Weren't the sceneshifters magnificent, a most moving performance?"

The danger is therefore a double one. Britain is already an industrial country with such low industrial productivity that we are rapidly becoming disindustrialized; we have a welfare system which has such low productivity that we have the choice between abandoning our welfare priorities or allowing welfare expenditure to consume too much of our national resources. Either way, low productivity is actually threatening our existing standard of living, let alone our capacity to increase it. Low productivity is the central issue of our political life, as it underlies all the others; it is the issue of our national future.

Broadly speaking, productivity matches the degree to which men are free to sell their labour in the best market, to obtain the full price they individually are worth. Only if rewards are proportionate to output, can an economy maximize output. In countries where workers are very free, as in the United States or Germany, productivity is at its highest. In what might be termed capitalist closed-shop economies, such as Britain, productivity is only about half as high. In communist countries, productivity is only half of the closed-shop group; there is no doubt that the Soviet Union, with wholly regimented labour, is much less efficient than Britain.

Historic divisions

It is unfortunately not realistic to hope that higher productivity can come from the unions. Union power depends on restricting the free market in labour; the closed shop or the union dominated shop are natural trade union ambitions. Indeed they add to union power in the same degree that they lower productivity. Yet the inevitable effect of closing the labour market is to make it impossible to raise productivity to its maximum, or even to a level at which our industries can survive. Multiple closed shops operating together, reflecting arbitrary or historic divisions of labour and obsolete craft technologies, make competitive efficiency impossible. The old technologies have a will to live, but from the nation's point of view their survival is not compatible with that of the industries they dominate.

There are three political approaches to a resolution of this problem. The left want to carry socialism further and complete the structure of a commanding socialist state, allied to dominant trade unions. That is the objective of Mr. Benn and the NEC of the Labour Party. The effect on Britain's standard of living could only be catastrophic. The centre, moderate Labour, Liberals and moderate Conservatives, hope to contain the problem, because they believe that it is not possible to confront it. They may be correct in that view, but all they offer is catastrophe in slow motion. Mrs. Thatcher and Sir Geoffrey Howe believe in trying to reverse the process, and so far as Treasury measures can help to restore reality—tax cuts, ending exchange control—they have been taken.

The Government deserve to be supported for what they are doing, particularly perhaps by those who are moderates, who should recognize that this is not a question of preference, but a matter of national economic survival. The market is the only force powerful enough to have any chance of curing the British disease. The Government can perhaps be criticized on two grounds. Mrs. Thatcher's administration is better at policy than at persuasion; it is highly motivated without being sufficiently motivating.

Immunity

There is a cause to be taken to the country. If on *The Times* we had been able to rely on an informed public opinion, our agreements would not have required fifty weeks, not fifty days, not fifty minutes. People would have been pressing for higher productivity as the only conceivable way to raise pay and secure jobs. It is the employer who does not install new technologies against whom reasonable men would strike. There is as yet so much informed opinion. The Government should also face the trade union issue. At present legal protection, to the point of total immunity, is given to trade unions, even when their actions are preventing managers saying dying industries. Of course unions deserve a fair deal, but the unions who—perhaps with the best intentions—have been destroying British Leyland do not deserve legal immunities denied to the men who are trying to save British Leyland. Nor is it in the interest of their members that they should have these immunities. Unfortunately the Government propose only secondary changes which will not alter the balance of power, weighted as it is against those who try to raise productivity.

We want the Government to plead their case, but we even more want the public, and particularly the broad moderate majority to understand the issue. Low productivity is killing Britain; states more socialist than ours have even lower productivity; there is therefore no safety in socialism; states with free opportunity of employment have far higher productivity, and that is the direction in which to move. It is perhaps easy for a newspaper to write such things, though not all do; on *The Times* we have at least been willing to live our beliefs, and it is the urgency of the national issue which justifies even that experience. But it has been a sad way to spend one hundred and ninety fifth year.

Settlement at The Times

From Lord Goodman, CH

Sir, It is most agreeable to have you back. It must also be of considerable comfort that yours is a classic case of absence making the heart grow fonder. I hope it will not induce complacency or vanity to be told—as you will often—that in many respects you are irreplaceable. There will be many views, approbatory and otherwise, about the conduct of this long siege. And I am already aware that industrious contemporary historians are at work. But it is right and necessary to draw attention to the courage and public spirit of one major aspect of your campaign.

Leaving aside any assessment of its merits in relation to new technology, overmanning and the like, it is undeniable that there existed crucial need to restore industrial discipline and order in this country. I am perhaps specially qualified to know of the increasing anarchy in the newspaper industry, not only by night, immediate and unheralded demands for the benefit of immediate and illegal action. I do not think any newspaper escaped such pillage. These methods were deplored by the official unions and their officers who could do no more than wring their hands in vain.

Year after year and week after week, and in recent times, almost day after day some newspaper lost thousands and even hundreds of thousands of pounds without any effective means of defence. That you took a stand over this must redound to your permanent credit, and earn the praise and acknowledgement of all your fellow practitioners. That you will succeed in this stand must be the fervent wish of everyone who regards the preservation of a free press as indispensable for a free society.

Yours affectionately,
GEOFFREY HOWE,
University College,
Oxford.

Christian names in 1978

From Mrs M. Brown and Mr T. Brown

Sir, We feel that there are many who will still be interested in our research into last year's Christian names. Throughout 1978, and for the third successive year, Elizabeth remained the most frequently chosen by readers announcing the birth of their daughters in *The Times*. As for the past fifteen years, James has proved the most popular name for boys:

James	213 (1)	Elizabeth	129 (1)
Edward	115 (4)	Louise	90 (2)
Alexander	114 (6)	Jane	82 (4)
William	111 (2)	Mary	79 (3)
Thomas	109 (3)	Victoria	64 (12)
John	100 (5)	Sarah	62 (5)
Charles	92 (7)	Catherine	53 (7)
Richard	78 (10)	Alice	49 (11)
David	72 (12)	Christine	46 (18)
Nicholas	63 (11)	Emily	46 (18)
		Rebecca	46 (24)

(The figures in parentheses indicate the position held in 1977.) The list of boys' names for 1978 shows that Robert has been replaced by Nicholas. There has been considerable change among the girls. Victoria, Alice, Emily and Helen have taken over from Charlotte, Lucy and Emma. Names which showed a substantial increase in popularity in 1978 were Christopher, George and Joanna. Three of the more unusual names chosen for 1978 were Alalia, Carezza and Jurline.

The table for first names shows James still maintaining a lead over the boys, though Thomas was once again a close contender. Victoria was first place among the girls, displacing Sarah.

James	102 (1)	Victoria	50 (15)
Thomas	85 (2)	Sarah	48 (1)
Alexander	60 (4)	Katherine	36 (2)
Edward	57 (5)	Alexandra	36 (15)
William	52 (3)	Emily	36 (11)
Nicholas	48 (6)	Caroline	34 (13)
George	47 (7)	Charlotte	32 (3)
Richard	42 (8)	Emma	30 (7)
David	39 (16)	Lucy	28 (3)
Robert	39 (18)	Elizabeth	27 (11)
Andrew	39 (10)	Joanna	27 (18)

After regaining a place in the team in 1977, John fell back in popularity and was replaced by David and Robert. There was a high turnover among girls' names. Catherine, Alice, Anna and Sophie gave way to Victoria, Alexandra, Caroline, Joanna and Elizabeth. Two names to gain in favour as first names during 1978 were Adam and Kate.

An analysis of the figures for 1978 shows that there were 4,029 births announced in *The Times*, of whom 2,090 were boys, 1,937 were girls, and there were two instances where no sex was stated. The overall total was very close to that of 1977, which was 4,098. It seems likely that if *The Times* had been printed throughout December, the 1978 total would have been higher than that of 1977, reversing a long year downward trend. The following summary shows the distribution of names in 1978, excluding the two babies for whom no sex was stated:

The number of twins recorded in 1978 was 44, as against 47 in 1977. Of the 1978 sets, 16 were boys, 20 were girls and eight were mixed.

The number of twins recorded in 1978 was 44, as against 47 in 1977. Of the 1978 sets, 16 were boys, 20 were girls and eight were mixed.

As in 1977, the adoptions came to 29, among whom were 10 boys, including a set of twins, and 19 girls.

Yours faithfully,
MARGARET BROWN,
TOMAS BROWN,
7 Foxbarn Paddock,
Radeer Hill,
York.

Heart of oak

From Mr Anthony Given

Sir, *Times* may come and *Times* may go, but the English oak goes on for ever. Or does it? Bureaucratic indifference appears to be giving oak a bad press, as does the Dutch elm disease. But surely the oak must triumph—like *The Times*.

Yours truly,
ANTHONY GIVEN,
The Croft,
Near Stevenage,
Hertfordshire.

Giving Britain a fair deal in the EEC

From Mr Peter Lloyd, MP for Farnham (Conservative), and others

Sir, We recently sponsored a motion offering the Prime Minister every encouragement in her determination to secure an early and equitable reduction in the unacceptable high United Kingdom contribution to the EEC budget. It has so far been signed by 162 Conservative MPs—three-quarters of those eligible to do so as members of the Government and their parliamentary private secretaries are by tradition debarred from adding their signatures.

It should leave our EEC partners in absolutely no doubt that Mrs Thatcher's stand is overwhelmingly supported by her parliamentary party, which has been, and still is, the majority of the European cause in Great Britain.

Nevertheless we believe that the EEC cannot much longer retain the loyalty of a member country if it continues to demand a membership fee entirely out of line with the resources that country brings to the Community or the benefits it draws from it. The following table illustrates very starkly how heavily the United Kingdom is penalized in this respect.

1980 Domestic Net receipts/ product per head contributions		
Denmark	100	+£196
Germany	52	- 46
France	87	- 11
Netherlands	84	- 82
France	83	- 1
UK	53	- 38
Italy	46	- 85
Ireland	37	- 430

Neither the offer of short-term budgetary adjustments, nor the promise of long-term increases in programmes which directly favour the United Kingdom, will provide an acceptable remedy. Only with new and permanent financial arrangements, involving in particular the fundamental reform of the common agricultural policy which

will reduce the central budget as well as spread the visible net cost/benefit of membership far more equally than at present, can the EEC remain united and flourish.

We believe our European partners accept the general truth of this proposition. We believe they want Britain to remain part of the Community. We trust they also recognize that unless we can jointly work out the radical changes needed and put them speedily into effect, the case for Britain staying inside becomes increasingly difficult to sustain.

Yours,
PETER LLOYD,
JOHN WATSON,
TONY MARLOW,
JOHN MAJOR,
House of Commons,
November 7.

Dressed as sheepmeat

From Mr Parker Heskett

Sir, There does not seem to be any sign that the mind of the bureaucracy is in the concoction of fractured phraseology and inelegant English.

The recent use of the term "sheepmeat" in place of mutton and lamb is depressing in the extreme and will, I should think, put many people off buying what is one of our most important farm products.

The English language is rich in the vocabulary of the table. Barons and rounds and sirloins of beef, venison, gammons, hams and flitches illuminate the mind and all invitations to the feast. Now we are to be deflated and discouraged by muzzling pictures of saddles and crowns of sheepmeat?

What next? Cowmeat? Yours etc,
PARKER HESKETT,
Evington,
Huntingdonshire,
October 30.

Royal Opera House development

From Lord Drogheda and Sir Claus Moser

Sir, We are writing as past and present chairmen of the Royal Opera House, Covent Garden and as joint chairmen of the Royal Opera House Development Appeal. We request your aid in our most welcome reopened columns to express our thanks to the Prince of Wales and to Princess Margaret for the great help they have been giving us in connection with the development project and appeal.

It is many years since working conditions at Covent Garden were described in the report of a House of Commons select committee presided over by Mrs. Rennie Short as "appalling". At the time nothing significant could be done because of the presence of the Covent Garden produce markets, but as soon as these were moved away we persuaded the Government of the day that the land adjoining the Royal Opera House must not be allowed to be used for any other purpose than improvement of the facilities of the theatre, which are not only disgraceful but hopelessly inadequate.

The land was acquired in 1973, when a Tory Government was in power, and in 1975 with Labour in power it was transferred via the Arts Council to a specially created trust which exists to ensure that proper development takes place. Consultations were held with the various authorities involved, and detailed plans were drawn up.

The work was planned to be divided into phases. A powerful appeal committee was formed, because it was evident from the start that the Government would not undertake the whole cost of finance. The cost of the most vital phase I was estimated to be some £8m. Towards this total we have raised about £5.5m, including £1m from the GLC and £1m from the last Covent Garden production.

Fund-raising on such a massive scale for a single project has seldom previously been undertaken. It was therefore with immense pleasure that we learnt that the Prince of Wales, who is the Patron of the Royal Opera, had agreed to play the leading role in a film contrasting the beauties of the auditorium with the deplorable conditions backstage. The film is being widely shown throughout the United Kingdom, as well as in the United States, and the Prince has revealed that a second career could be his for the asking.

Weapons for what?

From Mr Paul de Hevey

Sir, In many countries the daily press seems to derive a gruesome satisfaction from telling its readers that some new weapon of ingenious design and deadly power has been added to the arsenal of one of the chief adversaries in the cold war.

Special emphasis is laid on its importance in deterring a potential aggressor: little or nothing is said of its use for purposes of unprovoked attack and aggression, or of its horrifying capacity for destruction and devastation.

While the ostensible purpose of such a weapon may be to aid in defending civilization, its use must result in the death or mutilation of millions of human beings. Would not it be safer and better to destroy the weapons in question, and indeed all others like it before the world runs the risk of degrading them to the ignoble function of destroying humanity?

Lord Grey of Fallodon, who, as Sir Edward Grey, had been the British Foreign Secretary at the outbreak of the First World War in 1914, declared, when the war was over and he had retired from an active political career, that the war had been "unavoidable" because of the desperate rivalry that had embittered the relations between the leading European powers.

Since the race in armaments between East and West is today more frantic and potentially more disastrous than that which embroiled and embittered relations between the European powers before 1914, one is forced to conclude, by the logic of Lord Grey's argument, that a third world war

It has become an accepted practice for large scale appeals to look overseas for support. Covent Garden is one of the handful of opera houses of truly international fame and repute, and few would deny that if it ceased to exist the lyrics it would be seriously impoverished.

Accordingly approaches are being made on a very selective basis in several countries where opera and ballet are loved. Prominent among these is the United States, where for many years has existed a valuable organization, the American Friends of Covent Garden.

Thus it was particularly gratifying for us that Princess Margaret undertook to visit five leading American cities, in order to introduce the film to United States audiences. She has for many years been President of the Royal Ballet and involves herself closely in the company's work and indeed in the life of the Royal Opera House.

Her visit to the United States last month occupied almost three weeks. For some of the time one or other of us accompanied her, and with first-hand knowledge we can say that her visit was highly successful. Wherever she went she was received with immense warmth and enthusiasm and was a joy for us to witness the concern for the Royal Opera House which was everywhere in evidence. We are therefore particularly grateful to Princess Margaret for undertaking the tour and for seeing it through to a successful conclusion without any departure from the scheduled plan.

In doing so she showed great personal courage, thereby doing a service not only to the Royal Opera House but also to Britain. We would like to take this opportunity of thanking our friends in America for the enthusiastic help which they gave us during Princess Margaret's visit. There is still far to go and it must be appreciated that to a very large degree the solution to our problem depends upon the continuance of Government support: though we will of course go on seeking help from all quarters, both new and old, to ensure the survival of the Royal Opera House.

Yours, etc,
DROGHEDA,
CLAUS MOSER,
Royal Opera House Development Appeal,
Covent Garden,
London, WC2,
November 10.

Refitting wards in hospitals

From Lord Hayter, and others

Sir, For King Edward's Hospital Fund for London, which began as a Jubilee Fund in 1897, it seemed particularly appropriate to make a special contribution to London hospitals on the occasion of the Queen's Silver Jubilee.

One million pounds was set aside for refitting wards of some of London's older hospitals, many having been opened in Victorian days. Being solidly built they refit extraordinarily well, as we have seen from some already done. The sanitary inadequacies and poor facilities for nursing staff have greatly added to the difficulties of catering for patients.

However extra bathrooms and lavatories, a day room, a treatment room and a nursing station can be built within the existing framework or with the addition of an external spine. With false ceilings they emerge as modern wards meeting present-day needs and expectations of staff and patients.

Aided by expert nursing and architectural advice we have made grants of about £100,000 each to 10 hospitals. Most of them have been former municipal or voluntary hospitals, now busy NHS district general hospitals providing mainly acute medical and surgical care in different parts of London. We have also given a grant to the Queen Elizabeth Children's Hospital in Hackney.

All these hospitals suffer from "planning blight". Even for those which would have to wait many years for rebuilding any refitting meanwhile has been on a minimal scale. The London reconstruction programme for hospitals has been greatly slowed down. Buildings costs have risen steeply at time when less "new money" has come into the NHS, and London has received a smaller proportion than other parts of the country.

A policy of refitting our older hospitals offers a realistic prospect of getting their wards to a modern standard within 10-15 years and at a far lower cost than building new hospitals. Such refitting would give a much-needed boost to morale among all members of the hospital staff, particularly the nurses. It was indeed time aware of this need that encouraged the Fund to launch its Jubilee Project.

Yours faithfully,
HAYTER,
AVERY JONES,
ROBIN BROOK,
MARILYN STONE,
King Edward's Hospital Fund for London,
14 Palace Court, W2,
November 7.

A solution for Cyprus

From Lord Bethell, Member of European Parliament for London, North-West (Conservative) and others

Sir, On the island of Cyprus practically nothing has changed since the 1960s. It is still a divided island, pointing out how easy it would be for Turkey and the Turkish Cypriots to bring about a just solution.

They need make only two concessions—a territorial withdrawal to a line which would be in line with the Turkish-Cypriot proportion of the island's population and the creation of a Cyprus government to be responsible for foreign affairs, national defence, central taxation and customs.

We feel sure that on this basis they would be able to negotiate with the Greek-Cypriots a solution under which they would control their own affairs within a federal unit—health, education, housing, transport and, above all, security. The present barrier running across the island would be dismantled and they would take their place internationally as part of the island of Cyprus, which would become available to both sides.

The Turkish-Cypriots have much to gain from accepting this way out of the impasse, as an alternative to enduring yet another year of semi-chaos.

Yours sincerely,
NICHOLAS BETHELL,
Acting Chairman, Friends of Cyprus,
CHRISTOPHER PRICE,
CYRIL TOWNSEND,
7 Crastock Court,
Queen's Gardens, W2,
November 6.

Re cycling

From Mr A. S. Minton

Sir, Motorways are flat, straight and time-saving. They are built for and encourage high-speed travel, but in the interests of fuel economy and wear and tear on vehicles this is no longer desirable. If we are buying too many foreign cars then they must be made to last longer.

Motorists need straight, flat roads mainly for speed, whereas cyclists need such roads to lessen exertion. Cyclists are not allowed on motorways, but must keep to the more dangerously congested highways and byways.

The hard shoulders of motorways probably involve about 10 per cent of construction costs, but are no more than emergency havens reserved for the rare event.

Having in mind the ever-increasing costs of fuels and vehicles, it is conceivable that it will become necessary to reconsider the functions of motorways: that they should become "freeways" to all road users and that the "hard shoulders" should be open to scooters, cyclists and even hikers. Yours faithfully,
A. S. MINTON,
118 Wrenall Road,
Rishwina,
Cardiff,
October 25.

Up and away

From Mr D. J. Connolly

Sir, Last Monday, I believe I heard the sound of the first phoenix of the year. Who said it was extinct? You are back. Yours faithfully,
D. J. CONNOLLY,
67 Gossons End,
Berkhamshead,
Hertfordshire,
October 28.

Wearing a buttonhole

From H. M. Satewitz

Sir, I hope it is not too late to remind readers of the return of *The Times* by wearing a buttonhole. As I suggested in my letter on November 30, your obedient servant,
H. M. SATEWITZ,
43 Tetherdown, N10,
November 7.

Law Report November 12 1979

When judges should refuse interim injunctions in industrial action cases

N.W.L. Ltd v Nelson and another

Same v Woods

Before Lord Diplock, Lord Fraser of Tullycarnish and Lord Scarman

[Speeches delivered October 25]

In cases of industrial conflict, where an employer seeks to restrain a union from picketing, the court has to decide whether or not to grant an interim injunction. The House of Lords, in the two cases before it, considered the circumstances in which such an injunction should be granted or refused.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

The House of Lords was divided 3-2. Lord Diplock and Lord Fraser of Tullycarnish, in the majority, held that an interim injunction should be granted where the employer could show that it was likely to succeed in its claim for a permanent injunction. Lord Scarman, in the minority, held that an interim injunction should be granted where the employer could show that it was likely to suffer irreparable harm.

On the definition of "trade"

dispute was not between the employer and the nominal defendant but between the employer and the trade union threatening industrial action. (2) The threat of industrial action was not a threat of economic damage to the employer but a threat of economic damage to the public. (3) The threat of industrial action was not a threat of economic damage to the employer but a threat of economic damage to the public. (4) The threat of industrial action was not a threat of economic damage to the employer but a threat of economic damage to the public.

Section 17(2), which did not apply to Scotland, appeared to be a reminder addressed by Parliament to English judges, that where industrial action was threatened which was prima facie unlawful, because it induced breach of contract, they should, in exercising their discretion whether or not to grant an interim injunction, put into the balance of convenience in favour of the defendant those countervailing practical realities and, in particular, that the grant of an injunction was tantamount to giving final judgment against the defendant.

The subsection did not expressly enjoin the judge to have regard to the likelihood of success in establishing any defence other than a statutory immunity created by an Act, so it applied only to those cases where the defendant was connected with trade disputes, involved the practical realities which Lord Diplock mentioned.

When properly understood, there was nothing in the subsection which required the judge to consider whether to grant an interim injunction the judge ought not to give

full weight to all the practical realities in the situation to which the injunction would apply. That decision, which enjoined the judge on an application for an interim injunction to direct his attention to the balance of convenience as soon as he had satisfied himself that there was a serious question to be tried, was not dealing with an industrial dispute case in which the grant or refusal of an injunction at that stage would, in effect, dispose of the action finally in favour of whichever party was successful in the application.

That factor—that the grant or refusal of the interim injunction would have the practical effect of putting an end to the action—brought into the balance of convenience considered in *Cyanamid* an important additional element which the judge should bring in weighing the risks that the defendant might succeed in his defence. The application one way or the other was not a matter for the House should accept the invitation to treat the likelihood of the defendant's establishing the defence of statutory immunity as an "overriding" or "paramount" factor against granting the injunction. The degree of likelihood of success of the special section 13 defence was clearly relevant; so was the degree of irrecoverable damage likely to be sustained by the employer, his customers, and the general public if the injunction was refused and the defence ultimately failed. Judges would be respecting the intention of Parliament in making the change in the law in 1975 if in the normal way the injunction were refused in cases where the defendant had shown that he was more likely than not that he would succeed in his defence of statutory immunity; but that did not mean that there might not be cases where the consequences to the employer or third parties or the public, and perhaps the nation itself, might be so disastrous that the injunction ought to be granted.

While the courts in Scotland would have regard to the likelihood of the defendant's succeeding in establishing the trade dispute defence, his Lordship would not expect them to accord any special priority to the defence beyond what it might seem to deserve in the circumstances of a particular case. That was exactly the effect that section 17(2) was, in his view, intended to produce and did produce in England.

LORD SCARMAN, concurring in dismissing the appeals, said that two questions arose. The first question, under section 29(1), was whether a dispute between an employer and a trade union was not a "trade dispute". The answer seemed simple and conclusive—when it fell outside the definition in the subsection. But if Mr Buckley was correct, the subsection was not conclusive. He relied on the case law for the proposition that a dispute which on the face of it appeared to be within the subsection might prove on investigation to be outside it.

The second question arose on section 17(2). On an application for an interim injunction to restrain a party who claimed to have a defence that he acted in contemplation or furtherance of

a trade dispute, what measure of regard were the courts to have to "the likelihood" of his establishing the defence at the trial? The subsection, by its silence, left the answer to the courts.

His Lordship reviewed the legislative purpose of the two Acts and statute and case law since 1906, and said that so far as the 1974 Act was concerned, the legislative purpose was clear—to sweep away not only the structure of industrial relations created by the Industrial Relations Act, 1971, which it was passed to repeal, but also the restraints of judicial review which the courts had been fashioning one way or another since the enactment of the Trade Disputes Act 1906. The court of inquiry into the *Grunwick* affair (of which his Lordship had been chairman) put it correctly when it said (para. 58 *Cmd. 6522*): "The policy [of the statute] is to exclude the dispute from judicial review. There is substituted for judicial review of the dispute an arbitration process with Acas as the statutory body to operate it."

That policy was achieved by those sections of the Act which imposed restrictions on legal liability and legal proceedings (sections 13 to 17); by the wide meaning given to "trade dispute" by section 29; and by the establishment of Acas. The law was now back to what Parliament had intended when it enacted the 1906 Act—but stronger and clearer. An act done in contemplation or furtherance of a trade dispute was not actionable in tort on the ground only that it induced a breach of contract or interfered with the performance of a contract or with another person's trade, business or employment; section 13. Trade union and employers' associations were not liable in tort for actions done in contemplation or furtherance of a trade dispute; section 14. Restrictions were placed by section 17

on the grant of interlocutory injunctions against parties claiming, or likely to claim, the statutory defence.

His Lordship considered against that background the meaning given to "trade dispute" in section 29. He totally rejected the contention that the "predominant motive" of the campaign by ITF against flags of convenience was political, not industrial. He further totally rejected the proposition that the campaign was introduced by the 1975 Act and the *Cyanamid* decision and restored the old law. Under the subsection the court must have regard to the likelihood of the defence of acts done in contemplation or furtherance of a trade dispute being established before deciding whether or not to grant an interim injunction. The measure of the regard was the critical question.

Both his Lordship's brethren treated the likelihood as an element to be weighed in the balance of convenience. His Lordship did not. He saw it as a separate factor to which regard was to be—outside the criminal purpose, or policy, of the Act was that if there was a trade dispute there was immunity for acts done in contemplation or furtherance of the dispute. There was to be—outside the criminal courts—no judicial review of such acts. The evidence of so sweeping a legislative purpose led his Lordship to conclude that if there was a likelihood as distinct from a mere possibility of a party establishing the statutory defence, the subsection did leave a residual discretion with the court that in the instant case, however, the difficulties did not arise. It appeared a practical certainty, on the evidence, that whatever the other reasons for its campaign against flags of convenience, the union was engaged in dispute with the shipowner which was connected with the terms and conditions of employment on his ship and in the shipping industry generally.

Solicitors: Holman, Fenwick & Willan; Clifford-Turner.



Inter-City. It's the difference between hearing what he says and seeing what he means.

You can't shake hands on the phone. When you meet face to face, shake hands and present your case, there may seem to be little difference with what you could have said by letter or telephone.

The difference is far more likely to be in the answer. Yes. Instead of no.

Often it pays to do business in person and the best way to travel is by Inter-City, the quick, reliable way to go from city centre to city centre.

With Inter-City you are free from the stops, the starts, and the stress of a road journey.

You can prepare for the business of the day in comfort. And freshen up before you arrive.

All without wasting a second.

When your business is finished, you can relax on the train home. With much more chance of having something to celebrate than if you had stayed at your desk.

Inter-City

Have a good trip!

Law Studies

A Level Law, Bar, LLB

Solicitors, Business Courses

Full, Part-Time and Revision

For details please phone

01-387 8150

DD 01-8346890

John
chartered

THE TIMES

BUSINESS NEWS

Foord
surveyors

- Stock markets**
FT Ind 413.0 down 7.9
FT Gilt 65.33 down 0.15
- Sterling**
\$2.1105 up 1.45 cents
Index 68.8 up 0.7
- Dollar**
Index 87.7 up 0.4
- Gold**
\$393.5 up \$3.0
- 3-month money**
Inter-bank 15 1/4 to 15 1/2
Euro \$ 15 3/4 to 15 5/8

IN BRIEF

No decision yet on Rolls-Royce future

Consultations continued yesterday over the future relationship between the National Enterprise Board and Rolls-Royce.

In the Commons, Sir Keith Joseph, Secretary of State for Industry said that he was considering representations made by the NEB and would make an announcement when he was ready.

Discussions between the NEB and Whitehall are focused on finding a satisfactory formula. The NEB has been threatening to resign en masse if the Government brings Rolls-Royce back under the direct control of the Department of Industry.

Inchcape cuts losses

Inchcape plans to run down its loss-making Dutch cocoa trading company and dispose of it by the middle of next year. No new contracts will be entered into by Harbom Amsterdam by two members of the present management backed by two international commodity groups based in the Netherlands. Last year Harbom lost £17.5m in cocoa dealing.

Microchip venture

QI Corporation and the National Enterprise Board yesterday announced the completion of their negotiations for the formation of a new joint venture company, QI Europe. The new company will develop and manufacture multifunction micro-computer systems in the United Kingdom for marketing throughout Europe.

Shotton announcement

Special development area status for the north Wales town of Shotton will be announced in the Commons today by Mr Nicholas Edwards, secretary of state for Wales. The object is to provide government financial assistance to attract new employment opportunities in the area. Closure of Shotton will result in the loss of 6,420 jobs in the steelworks, and a further 2,500 jobs in ancillary industries.

Vauxhall men back

A vote yesterday by 270 key workers at the Vauxhall Motors car plant at Ellesmere Port on Merseyside will bring to an end a 13 week shutdown during which more than 8,000 workers have been idle. Company production losses of some 34,000 vehicles cost £120m.

£14m chloride plant

Vinacore, a joint venture of Norsk Hydro UK and Selsby Chemicals, is to build a new polyvinyl chloride plant at Stavely, near Chesterfield. The £14m plant is part of a two-phase scheme to expand output from 60,000 to 100,000 tons a year.

Top gas prices

Gas prices paid by British business consumers are among the highest in the world according to a survey carried out by the National Utility Services.

Urgent meeting sought

Chemicals manufacturers want an urgent meeting with Mr David Howell, Secretary of State for Energy, to resolve their long dispute with British Gas over supply and pricing policies.

PRICE CHANGES

Rises	Falls
Brit Am & Gen 1 to 344	Barton Group 15p to 25p
South Shipley 5p to 28p	Carclays Bank 7p to 28p
Stroos 12p to 74p	EMI 6p to 12p
Stroos 19p to 32p	Fisons 2p to 12p
Marivale Con 30p to 29p	Hammerman A 20p to 70p

THE POUND

Bank	Bank	Bank	Bank
Australia S 1.97	Bank of India 1.91	Norway Kr 11.05	10.55
Austria S 28.75	Bank of China 26.75	Portugal Esc 108.00	104.00
Belgium Fr 65.25	Bank of France 61.75	South Africa R 1.88	1.75
Canada S 11.58	Bank of Italy 11.58	Sweden Kr 9.25	8.85
Denmark Kr 8.33	7.33	Switzerland Fr 3.67	3.45
Finland Mk 6.16	8.76	USA \$ 2.15	2.09
France Fr 6.16	8.76	Yugoslavia D 44.50	46.50
Germany D 2.37	99.00		
Greece Dr 16.55	10.25		
Hongkong \$ 16.55	10.25		
Italy L 164.90	1725.00		
Japan Y 164.90	518.40		
Netherlands Gld 4.29	4.16		

MLR set to reach record level as interbank rate touches 16 per cent

By John Whitmore

The likelihood of a rise to a record level in the Bank of England's Minimum Lending Rate and in the clearing banks' base lending rates strengthened still further yesterday as money market interest rates continued to rise sharply with the three-month interbank rate at one stage touching 16 per cent.

The general conviction in financial markets last night was that MLR will have to go up to at least 15 1/2 per cent, and more probably to 16 per cent, from its present level of 14 per cent.

The most probable day for the increase looks to be Thursday, when the Government will also be announcing its new target for monetary growth and details on the future of the banking "corset".

Any rise in MLR will automatically trigger an increase in the clearing banks' base lending rates. These already stand at a record level of 14 per cent, and any further significant increase could push the cost of overdrafts for many personal borrowers to around 20 per cent.

A rise in bank deposit rates would, moreover, prove particularly unwelcome to the building societies. The societies' share accounts are already looking distinctly uncompetitive in relation to other short term savings instruments, particularly after the recent upsurge in rates offered by local authorities.

The reasons for the present upward trend in interest rates are both domestic and international. On the domestic front, credit demand has been proving much stronger than had generally been expected.

The October figures released by the clearing banks last week showed a substantial increase in bank lending, and though the figures may have been distorted by the incidence of tax payments and tax rebates that companies had to finance during the month, several banks also showed a strong underlying demand for loans.

In addition, the gilt-edged market has become increasingly nervous about the trend in government borrowing. Once again, the most recent figures may have been distorted in this case by the timing of VAT

payments. But the fact that last Friday's figures for central government finances in October showed a deficit rather than the expected surplus has done nothing to allay market nervousness.

Whether domestic interest rates would have risen any less sharply without the general rise that has been taking place in world interest rates is a moot point. Certainly United Kingdom rates must now be considered to be potentially much more sensitive to international interest rate changes in the wake of last month's decision to abolish exchange controls.

How far the Government feels it has to go in raising MLR remains to be seen. It could well feel that the recent surge in bank lending will prove short-lived without an official lead in raising interest rates.

It might also feel that the more serious problem is funding the Government's borrowing requirement—a problem that could be resolved by a sharp cut in the price of long term government debt.

Given the general uncertainty about the meaningfulness of the

main monetary indicator (sterling M3) after the abolition of exchange controls, it seems that nothing less than a full monetary package, including a rise in MLR, will now be needed to restore confidence.

Any rise in MLR and bank base rates later this week will come too late to affect the planned increase in the building society lending rate from 11.7 per cent to 12.5 per cent in January.

However, new punitive rates for house buyers are a virtual certainty in February. Starting jumped by 1.85 cents to close at \$2.1105 against the dollar last night. The pound was buoyed by expectations of higher interest rates in London.

It climbed against all the major currencies as well as the dollar, with a rise of about 1 per cent in its trade-weighted index from Friday's level. This finished at 68 per cent of its end-1971 value, the highest level since the pound was devalued against the dollar for two weeks.

The dollar was generally firmer yesterday, with particularly sharp rises against the Swiss franc and Japanese yen. It closed at SWF 1.5665 to the dollar.

Chancellor sees little room for tax cuts in his next budget

A clear warning that there will be little room for income tax cuts in the spring budget came from Sir Geoffrey Howe, the Chancellor, yesterday.

Speaking at a conference of businessmen in London, he painted a gloomy picture of the economy, which he said underlined the need for patience in the quest for a lower net tax burden.

Even that important task cannot, and will not, be allowed to blunt our determination to keep borrowing down and the money supply under control," the Chancellor said.

A rise in the income tax thresholds is a possibility for the Budget, however Sir Geoffrey said this would be the best way of widening the gap between those at work and those drawing social security, thus exorcising the so-called "why work syndrome", although it too is expensive in revenue terms.

Further cuts next year in the basic rate of tax, at present 30p in the pound, now seem extremely unlikely. Sir Geoffrey reminded his audience that it was very expensive to cut the standard rate. A penny off the rate costs the Government about £500m.

The Government is determined to stick to its policy of slowing money growth, and reducing its borrowing, even if this means that it cannot cut income tax significantly in the near future.

The present crisis of confidence in the City centres on fears of excessive money

growth. The Government believes that the battle against inflation, through restricting the growth of money in the economy, comes before its other objectives.

Sir Geoffrey did suggest, however, that he may cut capital taxes in his next budget. He referred to a commitment in the Tory manifesto to "propose a simpler and less oppressive system of capital taxation" than the present capital transfer and capital gains taxes and he hoped to put forward proposals to deal with this in the spring.

This drew a sharp rejoinder from Mr Denis Healey, the shadow Chancellor, who commented: "It is particularly shocking that in the same speech as he abandons all prospect of cutting income tax, he should plan to cut taxes on wealth in his next budget."

The Government has become more pessimistic about Britain's economic prospects in recent weeks.

The Chancellor said that with each day that passed, he realized more clearly "the appalling constraints imposed upon the British economy by a combination of low growth and in-built public expenditure".

The Treasury's latest forecasts for the economy are to be published next Tuesday. They are believed to show a fall in output and a rise in unemployment next year, with only a slight improvement in the rate of inflation.

The main reason for the downturn is a drop in business spend-

ing, as private industry is expected to run down its stocks and cut investment plans as consumer spending flattens out.

The Government also expects a sharp fall in public sector borrowing, although it believes these will not be as severe as those of 1974-75.

The economy will be hit by the conflict between the Government's relatively tight money policies and still rapid wage inflation.

A confused picture of the current economic situation emerged from the latest set of economic indicators published by the Government yesterday.

The showed that industrial production in September fell by about 11 per cent from its August level, leaving output in the third quarter as a whole 2.7 per cent lower than the second quarter of this year.

But in the House of Commons, Sir Geoffrey said that the index of the volume of retail sales went up by 11 points in 111 after seasonal factors have been allowed for.

The Chancellor signalled to the property industry that the development land tax is here to stay, with no change envisaged in the rate or starting point for the tax.

A special relief for small businesses may be included in the April budget, as may relief for companies hit by inflation.

The government is committed to simplify the tax system by abolishing some special exemptions. But it is unlikely to do anything next year.

Tables, page 26

Shell prices up before Christmas

By Nicholas Jinx

Shell UK, joint market leader with Esso in petrol and petroleum products, is planning an across-the-board price increase to recoup rises in its crude oil and other costs.

The size and timing of the increases are still being worked out, but are expected to take place before the next meeting of the Organization of Petroleum Exporting Countries in Caracas on December 17. If, as seems certain, crude prices are raised again at that meeting, Shell will impose another round of increases on its customers in the New Year.

Other companies have no immediate plans for an increase. Esso and British Petroleum both said that they were considering the implications of recent crude costs but had made no decisions.

Shell, on the other hand, is actively working out the details. It has been particularly hard hit by the recent leapfrogging of oil costs. Kuwait, which supplies 40 per cent of Shell UK's 400,000 barrels a day requirement raised its prices recently by 11 per cent to \$21.43 a barrel.

Other differentials with other Opec producers. Most of the balance of Shell's needs comes from the North Sea. Of this, 30 per cent is Shell's own equity crude, the rest is bought.

The British National Oil Corporation, the largest North Sea crude seller, raised its prices to \$26.27 a barrel from November 1.

Esso, which has similar requirements, receives 45 per cent of its supplies from the North Sea and 45 per cent from Saudi Arabia, which is still selling its crude to the Aramco partners, of which Esso's parent group, Exxon, is a member, at \$18 a barrel.

Shell has been buying the occasional cargo on the spot markets where prices currently are topping \$40 a barrel—although it has not paid such prices. With restrictions on its output from the Brent field imposed by the Department of Energy to reduce the amount of gas flared, its need to buy in additional supplies may be greater than originally planned.

The companies are also suffering strong pressures on cash flow. Credit terms from Opec sales have come down from 120 days a year ago to 30 days and cargoes are being paid for before they are received. BNOC is selling some of its oil in advance to raise £500m for the Government, bringing an equal loss of liquidity for the oil majors.

BP share offer only 1 1/2 times oversubscribed

By Peter Wainwright

The British Petroleum offer designed to spread share ownership among small investors, has barely succeeded. The offer of 80 million ordinary 25p shares at 363p each (150p payable on application and the rest on February 6) was just one and half times oversubscribed and it attracted only £180m of subscription money. Interest in the shares ebbed almost immediately after the start of business, but at the close the new shares stood at 154p. They began life at 156p and at one time were only 151p.

The stock jobbers tried to make the marketing a festive occasion, going in with white boiler suits, adorned with BP green and gold emblem, instead of their usual dark pin-

stripe suits. But they had little to do except stand around. All those who subscribed for 1,100 shares or fewer will get all the shares for which they asked.

Applications for more than 1,100 shares and up to 2,400 got 1,115 shares, while subscribers for more than 2,400 shares received 45 per cent of the number. These allocations fulfill the Government's pledge to favour small investors.

In keeping with plans to encourage employees of BP itself to buy shares in the group 2,167,543 shares—all of those for which employees submitted an application were allocated. That, combined with 1,967,513 shares allotted to the trustees of BP, comprised 5.17 per cent of the shares offered.

Financial Editor page 25

Krugerrand sales drive in UK

"We are going to set about the Englishman," said Mr D. A. Etheridge, president of the Chamber of Mines of South Africa, as he described a new campaign in Britain to "hizze the advantages of gold".

The campaign centres on marketing the one-ounce gold Krugerrand coin minted at the Rand Refinery near Johannesburg. Mr Etheridge, also chairman of the gold and uranium division of the Anglo-American Corporation, said that about £270,000 will be spent between now and Christmas to advertise the Krugerrand in Britain.

Controls on United Kingdom purchases of gold have been lifted this year and the Chamber of Mines of South Africa sees a formidable market here, with Krugerrand sales aimed, say Chamber officials, "at the man in the street".

But, like most other products, gold needs marketing and, as Mr Etheridge noted in an interview, "the United Kingdom needs just as much of an education as the United States did".

The Krugerrand selling operations are sophisticated and directed by Intergold, the marketing arm of the Chamber of Mines, which has an annual global budget of about £15 million. Boosting coin demand to small investors, runs Intergold logic, will broaden the international demand for gold and so inevitably increase prices.

Intergold executives claim that about 2.5 million Americans have bought Krugerrands in the four years since laws preventing gold ownership were lifted in the United States. Krugerrand sales worldwide rose from 90 tons in 1977 to 190 tons or 6.1 million ounces in 1978.

The urgency of the new British campaign stems, in part, from relatively disappointing Krugerrand sales so far this year. As gold prices soared, many coin holders in the United States in particular, started taking their profits—world Krugerrand sales so far this year total 2.8 million ounces.

Mr R. S. Lawrence, vice-president of the Chamber of Mines and deputy head of Rand Mines, says the recent American sales show that a vibrant two-way market for the Krugerrand exists and this should enhance long-term interest. It remains to be seen if a similarly forceful trading market will develop in Britain.

In addition to Britain, the Chamber of Mines is now striving to raise Krugerrand sales in the Far East—another unexploited market. But at the current high gold price (it closed yesterday at £186.40) even buying a one-ounce Krugerrand may involve too large a cash outlay for the man in the street at whom Mr Lawrence is aiming.

It is thus hardly surprising that Intergold is now considering sales of a two rand coin, weighing one quarter of an ounce and another coin, the one rand, weighing one-eighth. The Krugerrand, says Intergold, is available at banks at a premium of about 5 to 8 per cent over the market bullion price.

Gold prices have soared this year. But South Africans do not care to recall that during 1978 and the first eight months of 1979 the price fell by almost 50 per cent.

Frank Vogl

Tighter controls expected soon as result of big shipping fraud

By David Hewson

International measures to combat the multi-million pound problem of maritime crime are expected after the detection of a large scale shipping fraud in the Mediterranean.

At the centre of the affair is a 24-year-old cargo ship known variously during the last few months as the Betty, the Five Star and the Aris, whose Mediterranean-bound cargo worth \$3m wound up in the hands of Christian Phalangist forces in Lebanon.

Mr Themistocles Savvas, aged 46, a leading Greek lawyer and former director-general of the port of Piraeus, and three other men are in prison in Greece facing charges in connection with the case.

The Betty affair has sparked a controversial blacklist of shipping by the Saudi Arabian government, which has led to the rewriting of traditional shipping routes in the Mediterranean and Middle East.

The Saudis have banned from their ports not only all vessels which call at Lebanon en route, but all other ships operating under the same owner, whether they visit Lebanon or not.

As a result, owners throughout the world have had to re-route vessels heading for Jeddah, and they are considering imposing a contractual ban on visiting Lebanon for their ships on time charter.

More important, the case is likely to herald a new inter-governmental initiative against an area of crime which is thought to have cost the world insurance market £100 million last year.

It was the predictability of the Betty's actions which first drew police attention to the ship. Lebanon has proved a popular illicit landing spot for fraudulent cargoes since the country's internal troubles made it impossible for international police forces to maintain any influence as outside investigators. Inquiries from Interpol on routine matters have gone unheeded for 18 months.

Saudi Arabian interests were among the worst hit, paying in advance for cargoes to be brought through the Mediterranean and the Suez Canal, only to find the ship had made an unauthorized port call in Lebanon, discharged, and disappeared to re-emerge some

months later under a new name. The 5,668 gross tonnage Betty took just such a course, and in doing so attracted the interest of police intelligence. In early August of this year, the ship was registered in Limassol, Cyprus, and owned by the Greek Pero Shipping Company. She had loaded 3,500 tons of reinforcing steel in Chicago, Italy, and 5,000 cubic metres of timber in Rijeka, Yugoslavia, valued in total at \$3m.

The vessel was chartered to take the cargo to buyers in Jeddah, but on August 18, made an unscheduled stop at the port of Pylos in south west Greece, ostensibly to take on supplies.

The unscheduled port of call and the ship's eventual destination of Jeddah were enough to alert shipping intelligence contacts.

In late August, members of the International Association of Airports and Seaport Police, which liaises between marine police of different countries, had decided the voyage was suspect, but felt that they did not have enough information to persuade local Greek police to mount an investigation.

It was later discovered that while in Pylos, the Betty was sold to a paper company in Cyprus allegedly set up by one of the defendants in the case. The Betty sailed from Pylos on August 30 and disappeared. Police believe the crew knew that the ship was under police suspicion. On September 12, the IAASP discovered that the Betty was unloading at a quay near Jounieh, 12 miles north of Beirut.

Most of the cargo was in the hands of right-wing Christian Phalangist militia in Jounieh, who were themselves on the point of being defrauded. They believed that they were paying \$1.7m for 10,500 tons of cargo worth \$9m on the Lebanon market. In fact, it totalled 8,500 tons.

Intense diplomatic activity involving the Saudis ensued, which resulted in the recovery of the cargo and the imposition of the blacklist.

The Betty, however, sailed from Jounieh, now bearing a new name, Five Star. Last month she turned up in Piraeus under the name of Aris, flying the Spanish flag. She was duly arrested.

The chief defendant in the case is Anargyros Samonas, aged 39, a shipowner, who is charged with embezzlement to a criminal degree, forgery, and the use of forged documents.

Mr Savvas was director-general of the port of Piraeus during the time of the military junta but is not thought to have any strong political convictions. All three defendants, however, are being represented by a lawyer who made a reputation by defending the leaders of the junta when they were tried.

A fourth man was remanded in custody charged with embezzlement on November 6. He was Petros Rossis, the Piraeus agent of Greek Pero, who had been abroad and was arrested on his return.

The case has already had repercussions beyond the Saudi Arabian blacklist. The Greek Ministry of Merchant Marine is drafting a law increasing penalties for cases of piracy or embezzlement of cargoes. It will make unauthorized port calls an offence punishable by at least two years imprisonment. The ministry also plans to blacklist shippers and ship-owners engaging in such activities.

On a larger scale, the Betty affair will serve to add to the weight of pressure for the formation of a specialist international police task force, financing industry, which will fly to the scene of suspicious shipping movements. Such a force would provide specialist support for local police, who seldom possess the expertise or international contact network to deal with complex maritime frauds.

The practical problems of forming such a group are being discussed by the Institute of Chartered Shipbrokers and an announcement is expected shortly.

The Betty will provide a formidable argument for its formation: IAASP members are convinced that had such a force existed, the ship would have been arrested before it had even left Pylos and embarked upon its fateful journey to Lebanon.

WHERE IN THE WORLD WILL YOU FIND STANDARD CHARTERED?



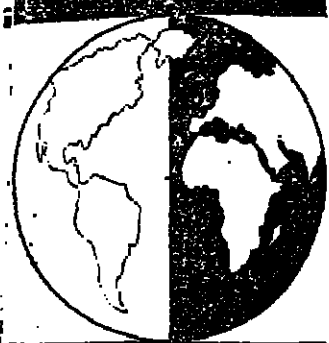
SERANGOON GARDEN WAY 19



Very prominently indeed in the varied life of South-East Asia. For instance, we have a major network of Group branches and offices in Singapore, Malaysia, the Philippines, Indonesia and Thailand. In this area we are long-established as a domestic as well as an international bank.

That's why we can transact your business with the Asian countries so quickly and cheaply. In London, ring Keith Skinner on 01-625 7500 to find out more.

Standard Chartered Bank Limited
helps you throughout the world
Head Office: 10 Coleman Lane, London EC6A 3AB
Assets £2,000 million



OVERSEAS

Carter aide warning to Chrysler

Chrysler Corporation may lose proposed government aid unless it alters a newly negotiated labour contract, Mr Alfred Kahn, President Carter's advisor on inflation said yesterday.

He told reporters the government would send Chrysler and the Auto Workers Union a formal notice declaring that their contract probably does not comply with the government's voluntary wage limits.

"I consider it outrageous that the company and the United Auto Workers union have agreed on a contract that we believe almost certainly will breach our standards," Mr Kahn said.

US bank fears

Congressman Benjamin Rosenthal of New York plans to propose legislation in Washington later this week aimed at blocking major American bank takeovers by foreign institutions. The United States national bank regulatory agencies are likely to oppose this move, Congressman Rosenthal is clearly reacting to mounting concern by mainly modest-sized United States banks to the prospect of tough overseas banking competition on their doorsteps.

Steelworkers' claim

Improvements in pensions and cost of living protection were named yesterday by the United Steelworkers of America as primary objectives in next year's contract negotiations, which may provide the toughest bargaining the industry has seen for years. However, a statement by the union wage policy committee urges negotiators to try to narrow or eliminate competitive disadvantages to employers in an effort to preserve jobs.

Oil rig order

Rijn-Schelde-Vorlme Machiniefabriek en Scheepswerf NV (RSV) said in Rotterdam yesterday its RSV Custo Engineering unit had secured a 100m guilder (almost £24m) order from a Liberian-based operating company of the Danish shipowner A. P. Moller for a self-elevating drilling rig, designed for operation in severe North Sea conditions.

Japanese exports up

Japan's October certified exports rose 16.7 per cent from the year before to total \$9,624m (about £4,952m) according to the Ministry of International Trade and Industry yesterday. The total was also up 5 per cent from September, which had a total of \$9,164m.

Italian deficit

Figures issued by the Statistics Institute in Rome yesterday show a September trading deficit of £21,000m lire (about £24m). This brings Italy's deficit for the first nine months of 1979 to 1,570,000m lire compared with the same 1978 period of 274,000m lire.

Nexos recruits British staff for US

British systems programmers and analysts are being recruited to work on an advanced American communications computer being developed jointly by a subsidiary of the National Enterprise Board and an affiliate of Exxon Enterprises (itself a subsidiary of Exxon Corporation, the oil company).

Up to 20 programmers and analysts are being recruited by Nexos Office Systems, the office automation subsidiary of the NEB, to work as part of the design team at Delphi, Corporation, the Exxon affiliate, in Los Angeles.

Their task is to write software for the Delta 2 computer, which uses a number of processors to control and integrate large volumes of business communication—voice, pictures, text and computer data.

In Los Angeles the Nexos staff will receive "a competitive Californian salary" by Delphi, with Nexos paying travelling and relocation expenses. After about a year they will be expected to return to permanent positions with Nexos—presumably at competitive Avon salaries since the company's headquarters are being set up in Bristol.

Mr Muir Moffat, managing director of Nexos, said yesterday that the joint deal would benefit both companies: Delphi would be able to strengthen its design team, after which Nexos would gain expertise with close knowledge of the Delta 2 computer. Mr Moffat sees the Delta as a key element in his company's strategy—a central machine which will be used to integrate a variety of communications devices into a comprehensive office system.

Technology news

Nexos has rights to manufacture the Delta 2 system in the United Kingdom and to market it for office automation throughout Europe. The NEB subsidiary's other interests include Logic 775 (word processing), Multirad (facsimile transmission) and Ultronic Data Systems (word-processing).

A new type of implantable heart pacemaker which can be programmed to match a patient's individual needs more completely than was previously possible is being developed at Cranfield Institute of Technology, with support from the National Research Development Corporation.

Invented by Mr Richard Backhouse, a research officer at the fluid engineering unit at Cranfield, the "Algorithmic" pacemaker uses a special-purpose microprocessor in place of the hard-wired circuits used in conventional designs.

Mr Backhouse said yesterday that the main advantage of his design was that, for the same size and longevity as a conventional unit, more sophisticated functions could be provided. The microprocessor consumes very little power.

The Cranfield approach should lead to a number of advantages, with no increase in overall size. The characteristics of different types of pacemaker could be reproduced in a single standard unit, for example, by reprogramming the microprocessor. More selective demand-pacing applications (where the heart does not need to be stimulated continually) would be possible.

In the prototype development now under way at Cranfield, one application is a "atrial triggered" synchronous pacemaker, based on complex measurements of the heart which determine the appropriate type of pacing.

This will involve the automatic recognition of fine detail in the complex voltage wave-

form of the heart; this detail will be detected by an electrode placed within the heart and connected as an input to the Algorithmic. This will control an output pulse which will stimulate the ventricle and so achieve the desired level of pacing.

Microcomputer systems will be on sale in large numbers early next year, from £200 to £10,000, after a decision by Currys, the electrical retailers, to move into the microsystems business.

A Currys subsidiary is to be set up next January to market micro-based computers and software packages for business, educational and domestic users. Initially the new company will use first-floor space in existing Currys shops as well as other specialist outlets.

Mr Derek Moon, computer consultant and a former managing director of GEC's domestic appliance division, will become managing director of the new company. According to Mr Moon, Currys will use its own data-processing department and will recruit experienced programmers so that a substantial software service can be offered.

Kenneth Owen

90,000 BL workers to get copies of 'ultimatum'

By Clifford Webb
British Leyland's Nuffield Press subsidiary yesterday began rushing out 90,000 copies of the management's 85-page "ultimatum" to the unions—one for each worker.

It demands full acceptance of sweeping changes in established working practices in return for a five per cent wage increase plus a self-financing incentive scheme which could provide another £1 a week. The large print job will take three days and it is being undertaken at the request of the unions. It is not a management attempt to bypass the official negotiating machinery.

But the demands are so controversial and detailed that one union official yesterday described them as "an attempt to introduce an employers' union".

The management says simply: "It is now a question of survival. We have run out of time for pussyfooting about. We must have a minimum 20 per cent increase in productivity from our factories."

British Leyland wants to sweep away all demarcation problems by introducing full mobility of labour in an industry where each worker and each union has zealously guarded clearly defined boundaries.

It goes even further by calling for a "maintenance" method, including the elimination of trade demarcations and the amalgamation of related trades.

The intention is to introduce an all-round maintenance specialism similar to those employed in Continental factories. It is the prelude to the substitution of preventive maintenance for curative maintenance—a change which is said to be imperative in the new, highly automated Mini Metro shop at Longbridge.

BL is also demanding an end to the time-honoured attitude to overtime working—one in, all in. It says the management must be trusted to allocate overtime on a fair basis.

It wants access at all times for its industrial engineers to set work standards and manning levels. But it also offers to train some shop stewards in basic industrial engineering techniques so that they will know what is going on.

The sweeping nature of the demands has surprised even those shop stewards who had been predicting further management assaults on wage negotiations, their traditional power base, after the recent seven-to-one vote by BL workers in favour of the latest recovery plan.

But they have hit back by insisting that BL should send a copy of the bulky document to every worker.

LETTERS TO THE EDITOR

VAT no longer an appropriate tax for the Community

From Mr Julian Lessey
Sir, Sir Derek Ezra rightly pointed out on November 6 that Britain and Europe in particular need to come to grips with an unprecedented situation—that major natural resources are running out. The return of VAT is therefore a suitable occasion to reconsider a major aspect of EEC fiscal policy.

The cornerstone of the Community's tax edifice is VAT. With the best will in the world, this tax cannot be considered a happy innovation. It is complex, time-consuming and expensive to administer, for government and taxpayer alike—not least as it entails the collection and refund of myriad separate sums among myriad separate individuals. It presents a positive temptation to evasion and a threat to fiscal morality. Indeed, if one had sat down and thought about it, one could hardly have devised a more cumbersome and unsatisfactory tax.

How then did it come into being? The answer, I suggest, lies in the period in which it was introduced. The late fifties and sixties were a time of expansion in Europe, when employment was relatively high and materials (especially oil) cheap and apparently plentiful. In this growth atmosphere the Community's aim of a "general" tax on consumption with the emphasis on "neutrality" seemed entirely appropriate. In such a climate of opinion, the market appeared to be the bogy and perfect neutrality the ideal.

The broad aim was a tax broadcast without discrimination over the whole of commerce.

Since those times we have had more than one oil crisis, a substantial increase in the scarcity and price not only of energy but of many natural resources and a world recession. Energy saving is now general policy, not only in the Community but in its member states. Fiscal discrimination and "distortion" far from being anathema, are welcomed in support of this policy: which country today does not, for instance, tax petrol with special severity? Accompanying this have been a dramatic change from low to high unemployment; once a relatively scarce resource, unskilled labour has now become embarrassingly plentiful.

In the very changed circumstances of the seventies, is VAT any longer appropriate? For one thing, exemptions and multiple rates have whittled away much of the point it ever had. But a substantial proportion of "value added" consists of work, so that VAT is in large degree a tax on work. In a period of increasing structural unemployment, to which there is no end in sight, what could be more idiotic than to tax labour? Yet the Commission continues to pile VAT directive on VAT directive, adding to an edifice that will sooner or later have to be demolished.

Their aim should rather be to transfer taxation from the resource we want to sell (labour) to the resource we want to save (energy/materials). The British Government should therefore urge the EEC to abandon its obsession with VAT and to take the first steps in replacing it as our main indirect tax with a raw materials tax.

Such a tax could be charged *ad valorem* on the extraction (in the Community) and importation (from outside it) of non-renewable resources including fossil fuels. It would provide a deterrent to waste and an incentive to energy saving, to the more efficient and economical use of materials and to reuse and recycling. It would thus help to promote resource conservation and slow down the rate of extraction of raw materials not only in the EEC but in third countries (on whose resources we will all ultimately depend).

It would also help to cut the import bill. Compared with VAT it would be simple to administer, as the number of points at which it would be levied (extractors and importers of materials) would be few.

Let us therefore get rid of the incubus of VAT before it becomes an institution and substitute a tax that serves a positive and recognizable purpose.

Yours faithfully,
J. M. LESSEY

Convenor,
The Conservation Society Ltd
Economics Working Party,
29 Pilgrims Lane,
London NW3 1SX.

Checking telephone bills

From Dr D. Rudd
Sir, The Post Office sent my late mother a telephone bill for £109. At the age of 82 she would have been very distressed but her generation were taught to pay bills. It was fortunate that the bill came to me, who am less complacent.

I pointed out that the amount did not accord with the stated meter readings (the mystery to most of us) and that correct arithmetic would lead to a refund of £214. This induced a telephone call, explaining that the PO had omitted to take account of the fact that they had changed meters on the 01-907 exchange during the period. We settled for a credit of £286.

Presumably up to 10,000 meters were changed so the picture emerges of thousands of wrong bills, some of them outrageously so but others not wrong enough to lead even younger subscribers to query.

A depressing truncation

From Mr O. P. Sellers
Sir, May I congratulate you on regarding publicists. At the same time I would propose that when the Post Office is divided into separate postal and telecommunications businesses the occasion might be marked by a change in colour of public call offices from red to yellow, as indeed were telecommunications engineering vehicles after the Post Office Corporation was established ten years ago.

Assuming that the new Post Office will retain its red mail vans and letter boxes after the split, it would be appropriate to call offices to match the colour of telephone engineers' vehicles, not only to mark the occasion but also from environmental considerations.

Yellow phone boxes would certainly look better than red in country places, especially in villages. In Japan, where public coin boxes come in four colours including yellow and red, the yellow boxes are probably the most conspicuous, so it would be difficult to argue, as the Post Office has done in the past, that red must be retained to catch the eye. Is not a field of mustard as bright as one of poppies?

Yours faithfully,
O. P. SELLERS,
Dolybia,
14 Colcocks Road,
Banstead,
Surrey.
November 12.

adding to gaiety of nations, are reasonably euphonic, BR may still be spelled out, and GKN has a positively nutty sound. But the apparently mandatory—BL is not so much a lame, as a one-legged duck. Could you not, sir, mark your return by putting it, and your readers, out of their misery and simply reverting to the admirable un-Japanese solidity of British Leyland.

Yours sincerely,
HARRY HOPKINS,
61 Clifton Hill,
St John's Wood,
London NW8 0JN.

Checking telephone bills

From Dr D. Rudd
Sir, The Post Office sent my late mother a telephone bill for £109. At the age of 82 she would have been very distressed but her generation were taught to pay bills. It was fortunate that the bill came to me, who am less complacent.

I pointed out that the amount did not accord with the stated meter readings (the mystery to most of us) and that correct arithmetic would lead to a refund of £214. This induced a telephone call, explaining that the PO had omitted to take account of the fact that they had changed meters on the 01-907 exchange during the period. We settled for a credit of £286.

Presumably up to 10,000 meters were changed so the picture emerges of thousands of wrong bills, some of them outrageously so but others not wrong enough to lead even younger subscribers to query.

A depressing truncation

From Mr O. P. Sellers
Sir, May I congratulate you on regarding publicists. At the same time I would propose that when the Post Office is divided into separate postal and telecommunications businesses the occasion might be marked by a change in colour of public call offices from red to yellow, as indeed were telecommunications engineering vehicles after the Post Office Corporation was established ten years ago.

Assuming that the new Post Office will retain its red mail vans and letter boxes after the split, it would be appropriate to call offices to match the colour of telephone engineers' vehicles, not only to mark the occasion but also from environmental considerations.

Yellow phone boxes would certainly look better than red in country places, especially in villages. In Japan, where public coin boxes come in four colours including yellow and red, the yellow boxes are probably the most conspicuous, so it would be difficult to argue, as the Post Office has done in the past, that red must be retained to catch the eye. Is not a field of mustard as bright as one of poppies?

Yours faithfully,
O. P. SELLERS,
Dolybia,
14 Colcocks Road,
Banstead,
Surrey.
November 12.

adding to gaiety of nations, are reasonably euphonic, BR may still be spelled out, and GKN has a positively nutty sound. But the apparently mandatory—BL is not so much a lame, as a one-legged duck. Could you not, sir, mark your return by putting it, and your readers, out of their misery and simply reverting to the admirable un-Japanese solidity of British Leyland.

Yours sincerely,
HARRY HOPKINS,
61 Clifton Hill,
St John's Wood,
London NW8 0JN.

Benefits of industrial newspapers

From Sir Frank Price
Sir, It is encouraging to read that the leaders of the CBI are concentrating their attention on the need for "communications". Indeed, it is not before time. The British Association of Industrial Editors has for a long time been stressing to all sides of industry that industrial newspapers, if properly utilised, provide a platform for managing director and the lady who makes the tea, the salesman who depends on the production line worker for quality and delivery, and the shopfloor worker, in turn, rely upon the ability of the salesman to sell.

The glaring need for all to realize that they are interdependent, that they are a team is, it seems, more obvious to the observer than those who are more directly involved. A well-designed newspaper with a balanced (and mean balanced) content, and a competent, responsible editor, given the freedom to run his or her paper, will make its contribution to providing the communications link for which all sides crave.

Too many times one hears management complaining of the lack of understanding of their problems by the shopfloor, but their cries are drowned by the workforce who say that the upper echelon management is out of touch. Middle management, who carry the hear and burden of the day and who also have a view and also have need to express it, are in need of a "bridge of communication".

Many of our industries which have a successful record in the industrial relations field, have first-class "free" internal newspapers. The British Association of Industrial Editors, for its part, works hard to nurture the best traditions in this most important field.

Yours faithfully,
FRANK PRICE,
President,
British Association of Industrial Editors,
New Oxford House,
16 Waterloo Street,
Birmingham, B2 5UG.
November 12.

Institute proposes abolition of 'status' tax concessions

By Patricia Tisdall

Proposals aimed at abolishing tax concessions on fringe benefits related to status will be submitted by the Institute of Directors to the Treasury within the next few weeks. The submissions are in response to the plan to increase tax on company cars issued by the Inland Revenue in August.

The initial timetable was for legislative amendments to be laid in Parliament this month for implementation in the next financial year. But objections from trade unionists and employers have won assurances that no action will be taken before the deadline for representation on taxation of benefits runs out at the end of December.

Mr Walter Goldsmith, director general, outlined the Institute of Directors' ideas for a comprehensive review of the taxation of company perks at a conference on tax reform in London yesterday.

Surprisingly in view of the prevalence of fringe benefits at boardroom level Mr Goldsmith welcomed the eventual abolition of those which are not either available to all employees or regarded as essential to company performance.

The Institute is against benefits in kind which generate differences in status," he said. "It is more than willing to see them go."

Officials of the institute have had two meetings with Mr Peter Rorer, Minister for the Treasury. Details of the institute's final submission are still being worked out, but the basis of it will be for benefits to be divided into three categories for tax purposes.

Those which are "pools of wealth" and those which are

part of an overall remuneration package should be exempt from tax. Other less justifiable, status-related perks should be taxed at their full value.

The Institute has identified 92 separate items used by companies as non-taxable perks. These range from pension schemes, subsidized canteens and staff discounts on company products through to recent additions such as lounge suits for executives.

Apart from pensions, which a recent British Institute of Management survey shows were offered by 98 per cent of companies, the company car is the most prevalent perk. Nevertheless the institute broadly agrees with the Inland Revenue's proposals that a true, rather than a notional, value of cars should be used for tax assessment purposes and that allowances should be linked to business mileage.

Textiles chief accuses Government of breaking pledge on imports from US

The textile industry yesterday accused the Government and the EEC of failing to honour a promise to prevent imports of cheap American fibres from swamping the home market.

The American invasion of the United Kingdom market for man-made fibres and products had reached an intolerable level, Mr Leonard Regan, president of the British Textile Confederation said.

He was speaking on the eve of this afternoon's Commons debate on the deteriorating state of the industry, when the Government is likely to come under pressure to seek better protection for domestic producers from low-price imports.

For some time, the confederation has been concerned at the lack of vigilance shown by governments and the European Community in enforcing the package of controls introduced under the multi-fibre arrangement (MFA).

A more immediate worry is the disruption being caused by imports from the United States, where producers benefit from

paying artificially low prices for energy and feedstock.

The growth in exports, further assisted by an undervalued dollar, has enabled the United States to increase its share of Britain's polyester filament yarn market, for example, to 26 per cent against 7.5 per cent a year ago. It has been blamed for the loss of thousands of jobs in the textiles industry, where more than 30,000 jobs have already been shed in the past three years.

Last month, Imperial Chemical Industries announced further reductions in employment in its fibres division, which provides work for 10,200. In September, Courtaulds said it was cutting 650 polyester filament manufacturing jobs in Northern Ireland. In both cases, cheap American imports were cited.

Mr Regan said yesterday that America was strangling the British industry. United States exporters of man-made fibres now enjoyed a price advantage of between 10 and 20 per cent, because of artificially low energy prices.

Mr Regan said that talks with the American authorities had gone on long enough. Vague hopes of voluntary restraint action had to be abandoned. "We don't want sympathy. We want action. The pussyfooting in Brussels must stop."

The council of ministers will discuss possible action on November 20, when the confederation hopes the British Government will force it to act. Before then, representatives of Comitextil, the federation of Community textile organizations, also hope to meet Viscount Davidson, European Commissioner for Industry, to press the case for action.

State curbs may lose British Shipbuilders orders worth \$400m

By Peter Hill

Shipbuilding orders worth up to \$400m (about £200m) may be lost to Britain because British Shipbuilders is unable to provide attractive financing terms.

High level discussions are taking place on a package of orders for about a dozen ships for the Hongkong-based World-Wide (Shipping) group controlled by Sir Yue Kong Pao. New orders are desperately needed for the corporation's yards if British Shipbuilders is to secure the target level of 400,000 tonnes of new orders a year.

The corporation, now underpinned by government finance for the next two years, is engaged in a huge rationalization of its operations to cope with the continued slump in demand.

Sir Yue has had discussions with senior executives of the state corporation over the package of about a dozen ships, including coal and products carriers, which the group plans to build.

One of the most powerful independent international shipowners, he has traditionally placed the vast bulk of his new orders in Japan, but Japanese yards are busy with orders and owners are being forced to look elsewhere.

Sir Yue made clear his wish to build in Britain, as long as firm delivery dates can be given and that the financing terms are competitive.

British Shipbuilders is expected to make submissions to the group in the next few weeks, but senior executives are worried that despite the subsidies available from the Government's £55m intervention fund, they will be unable to provide sufficiently attractive financing terms for World-Wide and for other owners now seeking orders.

The main problem concerns the provision of credit to both domestic and foreign owners. Ministers have been made aware of the attractive soft credits which are being made available by other shipbuilding nations, but so far have indicated their reluctance to contravene international guidelines laid down by the Organization for Economic Cooperation and Development.

Executives of British Shipbuilders have stressed that the United Kingdom shipping industry is much more unfavourably placed in terms of credit facilities than most other EEC shipping nations.

Mr John Parker, British Shipbuilders' board member for shipbuilding said: "The United Kingdom has adhered to the OECD understanding on export credit for ships, but in situations where other countries have not, and do not, it is crucial that British Shipbuilders should have the opportunity to match such terms."

World-Wide has indicated that it wants the ships delivered over the next two years, but prospects for a deal will depend on whether British Shipbuilders can offer new price coupled with normal credit, or extended credit with low interest and a higher price.

Assistance through the intervention fund is now limited to 25 per cent of contract price in line with reductions in the aid of assistance being urged by the EEC Commission.

Faced with the reluctance of the Government to "bend" credit rules, the shipbuilding corporation is examining the possibility of developing new financial packages for the abolition of exchange controls last month.

The possibility of variations of the controversial Anglo-Polish shipbuilding deal is also being considered.

A MAJOR FIRST FROM BRITAIN'S LARGEST UNIT TRUST GROUP

SAVE & PROSPER INTERNATIONAL BOND FUND

Exchange control abolition creates a new investment opportunity

To take advantage of the investment opportunities presented by the ending of UK exchange controls, Save & Prosper have introduced a new unit trust, the International Bond Fund.

This trust is specially designed to provide private investors with a simple and convenient means of participating in an actively managed portfolio of interest-bearing securities on an international basis.

These will include fixed and variable-rate bonds denominated in international currencies such as the Deutschmark and the yen, and, for shorter-term investment, treasury bills and certificates of deposit.

For full details of this new investment opportunity please contact your usual professional advisor or complete and return the coupon.

To: Customer Services, Save & Prosper Group,
4 Great St. Helens, London EC3P 3BP. Tel: 01-554 8899
Please send me full details of the Save & Prosper International Bond Fund.

(NAME)
NAME
ADDRESS

Not available to Eire residents. 845/BA/1

SAVE & PROSPER GROUP

HERE'S TO TIMES PAST AND TIMES FUTURE...

St. James's
Advertising & Publishing Co Ltd
Hanway House, 5 Clark's Place,
Bishopsgate, London EC2N 4BJ
Telephone: 01-283 4277
Telex: 883934 Finada

Advertising agents to the City and business world

BY THE FINANCIAL EDITOR

Every cloud has a silver lining...

What a time to come back! It now looks inevitable that the next few days are going to see the cost of money rise to record levels, at least in nominal terms. The Bank of England's minimum lending rate seems set to be raised above its 1976 peak of 15 per cent—anywhere between 15 and 16 per cent looks possible—and the clearing banks' base rates will rise commensurately.

Yet every cloud has a silver lining. In this case that silver lining could be that the end is now in sight of this autumn's best run in the gilt-edged market.

I say that with some trepidation: the current pay round is young; the upward trend in the rate of price inflation still has some months to run; a private sector credit demand remains uncomfortably high; the Government has yet to prime fiscal and monetary expectations for the next financial year; and it is still no more than speculation that the recent upward spiral in international interest rates is now in its final stages.

It is difficult to believe that we are not now near a point at which the institutions will be prepared to feed in a big way, provided of course that they are served with an appetising dish. That does not mean to say that there is a land of milk and honey just over the horizon: the Government has no shortage of debt to sell and is going to have to pay up in order to persuade the new breed of international United Kingdom investors to play the game.

But, for all that, it does seem that the initial crisis of confidence under the Government could be close to resolution. This does not, however, make it any easier to take a sanguine view of the equity market, except perhaps over the shorter term. The market's recent attempts to rally have, it is true, been far from reassuring. Even so, a technical correction in equities should be close at hand, particularly as the institutions get the shift of prospective double figure yields on blue chips such as ICI.

● The Government can afford to be pleased with the outcome of the BP sale, but in the context of other major sales of State assets the agenda it cannot be complacent. Selling stock in a major international oil company even during a week when markets are in turmoil over the prospect of even higher interest rates will be seen as a kid's stuff when it comes to selling some of the rougher propositions in the Government's locker.

This point though is recognized by Whitehall which is drawing on all the inventive capacity of the City in promoting an open and fierce competition among banks and leading brokers for the business of handling various state sales.

At the end of the day BP may be seen as the top—after all, underwriting commissions cannot come much easier than this and it is unlikely that they will come as easy again as other sales proceed into even stickier market conditions.

EMI bid

Explanations from Thorn

With the chances of another suitor for EMI showing its hand getting slimmer by the day, EMI's shares started to reflect this yesterday, slipping to 137½, which is almost a tenth below the value of Thorn's underwritten offer.

Even the 5 per cent stake built up last week, as all the EMI shares in the market found a ready buyer, now appears to be a red herring; any rival to Thorn is likely to use this as a bargaining counter should Thorn decide to sell off parts of EMI's business rather than the springboard for a full-scale bid.

Twentieth Century Fox last week's number one candidate for a rival bid, may well have decided to use this as a tactic to get hold of EMI's music side which it is apparently more interested in than the film business.

Various options have been considered including the possibility of settling up a consortium to share out EMI's assets.

But the higher terms from Thorn appear to have clinched things. Not only are they pitched at a level which would make any

other offer appear unduly generous given the uncertain recovery prospects in EMI's major businesses but the agreement of the EMI board to the terms makes it doubly difficult for any rival to enter the fray.

Meanwhile, the need to move quickly last week to pre-empt any possible counter-bid has led Thorn's financial advisers, Hambros, into hot water with the Takeover Panel over the way the underwriting was handled.

But Thorn is leaving nothing to chance with the investing institutions. It is trying to bring them gently round to the industrial logic of the takeover, so barring accidents the deal now looks to be on the home straight and shareholders should not be tempted to sell into this weak stock market.

● Rothschild Investment Trust produced just two figures yesterday, a month ahead of its full interim announcement; but both of them contained surprises. In the first place the interim dividend has been bumped up by a full 20 per cent, in a move which confounds market expectations that the rise in dividends would have to be restricted because of last month's £8.7m purchase of low-yielding shares in Savoy Hotel.

In the second, net asset value at end-October was set at 365p (359p fully diluted). This is no accident. The decision to bump the dividend up by 20 per cent reflects the director's recognition of the importance of yield, and a policy of increasing it even though the dividend cover might decline.

As for net asset value, RIT has benefited from the policy—peculiar to itself—of holding stable stakes in unquoted companies (which are not revalued at the interim stage). Liquidation of a fair (though unquantified) slice of these assets will not have done any harm in the subsequent period, either. From the looks of things, RIT's shares are now selling on a discount to net assets of around 35 per cent, well above the average for the sector; and the prospective yield, on a similar increase in the final dividend, is over 6.5 per cent.

Insurers

An American experience

Third-quarter results are due this week from the three United States-oriented insurance majors—Commercial Union, Royal and General Accident. It is a prospect that is worrying the stock market.

Opinion is deeply divided as to the sort of United States underwriting experience insurers will face in 1980 and beyond and its effect overall on results and ratings. A sanguine view is that shares are already fully discounting the heavy bloodletting that can be expected in the United States next year, while the potential for strong gains in investment income and sound dividend yields in the 9-11 per cent range provide solid grounds for holding in anticipation of a strong recovery in 1981.

Given hurricanes, David and Frederick, United States catastrophe losses so far this year are thought to have reached a record \$1,500m.

One effect of the United States disasters has been to increase optimism about prospects for recovery next year. However, more pessimistic observers feel that current year catastrophe losses are merely fudging the issue with regard to the underlying deterioration in most classes of business. Certainly, in 1974, the last year of major catastrophe losses, both the industry and the stock market made the mistake of misjudging the underlying deterioration in rates and claims incidence.

So the unprecedented rise in United States interest rates and consequent increase in competition, particularly in property and liability lines could mean that the United States downturn is only just beginning.

Next year CU, Royal and GA could see underwriting deficits of over £50m, over £25m and over £30m respectively compared with surpluses of £3m, £25m and £1m last year.

This could mean profits at CU continuing to slide after falling perhaps £12m to £130m this year with prospects flat for Royal after a drop of perhaps £30m to £123m this year.

It is beginning to look as if the decision to abolish all exchange controls overnight was Sir Geoffrey Howe's first major unforced error as Chancellor. It may also betoken the first swerve of policy (it would be unkind at this early stage to call it a J-turn), namely over the exchange rate.

Until now the ingredients of exchange rate policy seem to have been as follows: domestic monetary considerations must take precedence over the exchange rate; the Bank of England must not persistently sell sterling to hold down the rate, if that inflates the domestic money supply; if the result of the above has been that the pound has been strong and rising, then that is at worst an acceptable consequence and at best probably a good thing.

But now a principal defence of the exchange controls decision is that it has and will generate capital outflows, thus pushing the rate down to levels at which British industry can afford to do business abroad. That seems to be an important swerve, though I will present controls of the banking system and renders sterling M3 an inadequate measure of the domestic money supply (because banks can now take deposits abroad and lend them in this country). It was also that no one had answers to

the real character of the error was that it was a move of such total sur-

prise, announced with such obvious lack of time spent preparing the ground. The result has been a substantial injection of uncertainty and instability into the whole structure of financial markets. The perverse result this week is that we shall almost certainly see both higher interest rates and lower exchange rates at the same time.

The issue is not whether exchange controls were a good thing or not. It is whether, given the Government's dislike of them, it was sensible to get rid of them all at a stroke. The Treasury and the Bank of England have for obvious reasons always been against overnight dismantling of all controls. It is a measure of this Government's determination that the traditional advice was not offered, or was overridden.

Certainly the administrative machine was caught unprepared. It was not just that total abolition undermines the present controls of the banking system and renders sterling M3 an inadequate measure of the domestic money supply (because banks can now take deposits abroad and lend them in this country). It was also that no one had answers to

questions about how far the new regime would undermine capital transfer tax and the rest of capital taxation. These were just the surface signs that the thing had been done in a rush.

The more substantial point was that the many and various arguments put forward in the past by the Bank and the Treasury for a more steady step-by-step approach were ignored. First, they have always argued that it would be better to do a bit at a time, as the balance of payments improves, and not count the whole of North Sea oil before it has been brought ashore. For the next few years there are going to be substantial offsets to the North Sea credit account in the shape of debt servicing, other visible transactions and the take-off by the foreign oil companies involved—leaving aside the servicing and repayment of the £20,000m plus of official debt incurred in the mid-1970s. Secondly, if exchange controls are being eased, it is not better for priority to be given to financing overseas productive industry directed by British-based companies? The official view is that the financing from British funds of overseas investment is an unattractively heavy burden on the

balance of payments in relation to the benefit to the British economy.

Thirdly, the consequences of such a dramatic move as total abolition of all controls overnight, being outside the range of experience, are quite unpredictable. If people thought that the move might leave to be reversed, it could lead to a flight from sterling of unprecedented proportions. If people thought it was a sign of great confidence and strength, it could lead to a huge destabilising inflow of unwanted funds. Finally, the abolition of exchange controls has always been officially rejected as an instrument of exchange rate policy itself on the grounds that it is technically unsuited for the job. This is for the simple reason that the effect is only *permissive*. It allows something to happen, but cannot guarantee whether it will happen, when it will happen, or even in which direction it will happen.

Such reservations apply even more strongly to the total abolition of the control system, which is what has been done, than to progressive relaxations, which is what the authorities hoped would happen. As a result of this unilateral exchange control disarmament, the Bank of England will go naked into the next currency crisis.

The new channel planned by the IBA faces severe financial tests. David Hewson reports

Will the Fourth Channel make commercial sense?

Britain's fourth television channel will start transmitting in the autumn of 1982 in an atmosphere of financial stringency.

That much was made clear when the Independent Broadcasting Authority's chairman, Lady Plowden, and her senior officers revealed their proposals for the future of the service yesterday.

At the moment, the authority's 41-paragraph statement on the Fourth Channel remains a provisional document. But given the pressure on the authority to meet its commitments over the next two years, yesterday's proposals are likely to prove the authorized version of the new channel's operating philosophy.

In the space of the next 12 months the IBA proposes a series of decisions which will

the service make the channel look remarkably similar in cost terms to BBC 2, though its output, the IBA says, will be more diverse.

The channel's first annual budget would be in the order of £60m to £65m in 1979 terms, providing between 45 and 50 hours of programmes a week. BBC 2 has a budget of £60m, 17 per cent of the corporation's total budget, for which it provides 79 hours each week. When savings through repeats are removed from BBC 2 costings, the two channels would have comparable operating costs of around £24,000 an hour.

The channel would be funded by a levy on the new contractors to be paid from when they take over in January 1982, but control of the channel output will remain with the new company, the IBA proposes to form for that purpose.

The levy will undoubtedly fall heaviest on the contractors who can most afford it. At the moment these would be the "Big Five" of Thames, London Weekend Television, ATV, Granada and Yorkshire, all of whom will have to fight to retain their franchises if, as expected, opposing bids materialize during the coming months. The need for initial capital for the channel before its launch will be met by the IBA raising loans which will have to be repaid out of future revenue.

The IBA has been blunt about the effect of the Fourth Channel on the franchise operators during what are likely to be lean times for the industry even had it not elected to take on additional operating costs.

The sensitivity of commercial television to recession was simply shown in 1974 when almost 10 per cent was wiped off advertising revenues. The industry swiftly climbed out of the depths, with revenue, in 1979 prices, rising from £30m in 1975 to £410m in 1978. The increase is not certain to be maintained, says the IBA's statement, and "a cyclical decline seems at least as likely".

The broad consensus of the studies commissioned by the IBA, forecast that the new channel will increase the combined advertising revenue of the two channels but not, during the formative years, by more than 10 per cent. Some predictions say the increase could well be less. "It is a challenge to launch



Will the Fourth Channel make commercial sense?

can from the start be freely and uncritically available, they are unlikely to be realized". A little later the document adds: "Money is bound to be tight; programmes will not be able to have the budgets that are sought for them; the profits received by the ITV companies (of which some five-sixths pass to the government in levy and tax) will be diminished for the first year or two at least."

The sentiments may well sound ominous to the many independent producers who hoped the new channel would provide them with an important new outlet for their work. The fight by some sectors of the advertising industry for competitive advertising between the two channels is now positively lost. The IBA has sided with the Home Secretary in believing that such a move would inevitably result in attempts to maximize audiences, broadening the appeal of programmes, and isolating the BBC into a position of permanent minority broadcasting.

But there is one other aspect of the advertising world, the prospect of the formation of an IBA advertising liaison committee, the terms of reference of which are to be discussed, but the IBA hopes the new body will help resolve some of the disagreements which have appeared over advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

The IBA proposes that advertising issues in the past. The question of pricing will not, however, come within the committee's ambit.

Business Diary: Class of '80? • Cousin David

British Airways, I heard yesterday, is about to grasp the nettle of the rotten treatment that business travellers can get on European routes.

Proposals are to be put before chief executive Roy Draper this week which could mean that the many business people who do not fly first class no longer find themselves sitting next to holidaymakers who are enjoying the same level of service at half the price.

From what I hear, a working party set up by Draper and chaired by commercial director Gerry Draper will recommend that first class and business travellers should be accommodated together in a new and larger section of the plane, supplanting the old first class compartment; it would possibly be called the "business" or "club" class.

Aggrieved business travellers—and there are many these days—will pay no less than before. They will, however, have more room and enjoy a better standard of service. First-class travellers would probably pay less but suffer no substantial inconvenience, save that of stubbing expensively-clad shins on black metal rimmed executive briefcases.

From Draper and Watts the proposals will go before chairman Ross Stalmon and board in time for a detailed announcement before Christmas.

Meanwhile, talks are going on between British Airways and other airlines to see whether they, too, are minded to scrap first-class travel. British Airways is minded to scrap it, but is waiting to see whether in pleasing its business travellers it might lose first-class passengers to other carriers.



Amer's Arthur Levitt Jr. in London yesterday.

The soft-spoken of the American small investor is in town. Arthur Levitt Jr., chairman of the American Stock Exchange (the other New York exchange) was at the Savoy yesterday extolling the virtues of the "mid-size" company and those who invest in them.

The stage is set, he thinks, for countering Uncle Sam's baleful influence over the economy. The United States is close to a government allocation of financial resources, but Mr. Levitt's troops are mobilized. January will see a conference in Washington DC of 2,100 businessmen from small

land's case, since Wilson is not leaving the firm. He retains his directorship of all the main companies that make up the Soudrey group, but will in future be concentrating on generating business (chastising the owners of superb collections) rather than day-to-day management.

Wilson, chairman for 21 years, brought in Westminster 14 years ago as administrative director. Since then, Westminster's time has been divided between Soudrey's headquarters in Bond Street and Buckingham Palace; he was a Lord in Waiting to the Queen from 1955 to 1978 and last year succeeded the Duke of Beaufort as Master of the Horse.

An EEC-backed group of consumer lawyers has wiped some of the sunny smiles off the faces of the British holiday travel trade just as they are busy pushing out their new

and medium companies, organized by Ames, demanding more elbow room for investors.

Before becoming Ames's chairman at the beginning of last year Mr. Levitt was president of Shearson, Haydon, Stone, the Wall Street securities and investment banking firm. He is committed to pulling Ames out from the shadow of the New York Stock Exchange by widening its range of services and extending international links.

But, if all starts with the small investors, he admires own Mrs. Thatcher: "The policies we see here are aimed at individuals. Rolling back United Kingdom taxes is a tremendous step forward."

The lawyers say that the report submitted to the European Commission who subsidize their researches, argue that it is unreasonable for people to have to pay for their holidays in full before they take them.

The report points out that in all EEC countries "the well-established rule of law" is that the contract price is paid after a service has been delivered, not before: "Nobody asks the consumer to pay the hotel bill on arrival."

The lawyers say that the report submitted to the European Commission who subsidize their researches, argue that it is unreasonable for people to have to pay for their holidays in full before they take them.

One remedy the lawyers suggest is that in future customers should pay only threequarters of

the holiday price in advance, the remaining quarter being held in a special bank account until released with the customer's consent or after the adjudication of a complaints board.

The reaction of the Association of British Travel Agents was: "It is an idiotic suggestion, which would only shove the prices of holidays up. Frankly, we have not taken it very seriously, because it only shows that lawyers do not know how package holidays are put together."

None the less, I understand that a more detailed report is likely

Publicly, the power generation industry has treated with scepticism Jane Fonda's anti-nuclear film *The China Syndrome*. But I learn that the top brass of the Central Electricity Generating Board found time to watch a special screening of the film in a 16mm version specially bought for the purpose.

Reliable reports have it that the purpose of the screening was not simply to give board members a chance to enjoy 90 minutes of the gorgeous Ms Fonda, but to examine the enormous impact the film has had on the public. Initial verdict: the film attacks not the nuclear industry as such, but, surprise, surprise, its control by private enterprise.

What is less comforting, however, is that the CEGB's boffins praised the wealth and accuracy of the technical detail in the picture.

Ross Davies

Benefit now from the ending of Exchange Control

Tyndall North American Growth Fund

First offer of units

The Tyndall group has long provided investment in America to people outside the UK but this is the first British based Tyndall Unit Trust concentrating on North American investment.

Now, for the first time in 40 years, UK investors can invest overseas without the constraints of Exchange Control. And for those thinking of doing so the following facts should not be ignored:

* North America has the largest economy in the free world. Its vast natural resources, productive capacity and advanced technology underpin its future prosperity.

* Today's stronger pound combined with the ending of Exchange Control makes dollar shares an attractive buy.

Investment Policy

Tyndall North American Growth Fund will invest mainly in US shares but the Managers may also hold Canadian shares.

A substantial portion of the initial portfolio will be invested in Energy, Technology, Cyclical Growth and Health Care shares which in the Managers' opinion are substantially undervalued in relation to their potential for growth of earnings.

The initial portfolio has 25% cash liquidity which the Managers are prepared to invest under appropriate conditions.

Proposed initial portfolio:

Cyclical Growth 15%	High Quality Growth 4%
General Dynamics	Black & Decker
Waste Management	Health Care 12%
Raytheon	Raychem
Nita Inc.	Hospital Corp. of America
Energy 30%	National Medical Enterprises
Alberici Gas Truck Line	Technology 14%
Crossroads Gas Co.	Comshare
Eastern Gas and Fuel	Control Data
Hughes Tool	Digital Equipment
Imperial Oil	Essex Corp.
McCulloch Oil	Honeywell
Mobile	Management Assistance
Parker Drilling	
Standard Oil of California	
Texas Oil and Gas	
Canadian Holdings	

The aim of the Fund is capital growth and the estimated commencing gross yield is 3.5%. If you prefer to have Accumulation units in which income is reinvested you can do so by ticking the box in the coupon.

You should remember that the price of units and the income from them can go down as well as up.

You should regard your investment as long term.

Low charges

The minimum investment is £1500 and the initial charge is 3% (reduced to 2% on the excess over £10,000)—low for a trust investing in America.

The initial offer of units at 50p closes on 19th November. To invest simply send the application below with your cheque.

Important details

All applications will be acknowledged and your certificate will be sent within 42 days. After the close of the final price offer of units at 50p units will be dealt

FINANCIAL NEWS AND MARKET REPORTS

Stock markets

Widespread falls, gloom deepens

So much for Friday's technical rally. It was borne away on a tide of misery. Gloom tends to feed on itself and the worry now is not that interest rates are rising, but that the authorities are losing their grip on economic and financial policy.

Many operators in gilt edged stocks have now all but persuaded themselves that a jump in minimum lending rate of two points to 16 per cent and the launching of new stocks at levels the market will momentarily accept will not be enough to steady the gilt edged market and the parallel one in shares. Such people worry about the loopholes in control on money supply, and the way the Government's borrowing requirement rises in times of recession because unemployment benefit goes up while tax receipts go down.

Rumours persisted that Costain would try to pick up "unlaid" 30 per cent stake in Capital and Counties Property. Costain already has 9.3 per cent but says that it is not in discussion "at the moment". Costain's takeover interest, Whessex, remained firm at 14p. Costain was 13p, down 4p.

The gilt edged market disappointed with the Government's failure to cut Government spending as indicated in its recently announced plans, and last Tuesday's banking figure indicated a strong expansion in money supply. Thursday's detailed figures are likely to confirm this finding.

Market operators are, then, waiting until Thursday for a big jump in MLR; big new tap stocks; and adequate measures to tighten credit rate that the market is riddled with loopholes. The other economic indicators coming this week are unlikely to give the authorities any comfort.

There was no way for gilt edged to go save downwards.

and at the long end losses ranged up to 1 and at the short end, to 1. Leading the way were Treasury 15 per cent 1996 £3 lower at £103.4 while in medium Treasury 9 per cent 1994 finished £3.5 easier at £70. Among shorts Fund 5 per cent 82-84 dropped £2 to £78.1.

To the worries about gilt edged, equip dealers had to add anxieties about company profits (as indicated in the recent CBI industrial survey), and the worrying way the pound has started to climb again in recent days. This erodes still further industry's competitiveness in overseas markets. The danger is that with every increase in the oil price, the pound will be levered up and involve many exporters in losses abroad.

The excitement in BP the issue failed to materialize and the rush on dealing petered out at around 9.30 am. Dealers described the whole exercise as being "a damp squib" with the BP old shares finishing much in line with the rest of a dull oil sector 5p down at 336p. The new partly paid finished the day 4p up at 154p after 15p.

Selling the day had the FT index down. At 10 am it was 3.7 off and an hour later it was as much as 8.3 lower. For a little while things actually got no worse but then they did. At 3 pm the index was 8.5 down at 412.4, the lowest since April 19, 1977.

Blue chips remained subdued. After a half-hearted effort at a rally early on they finally came to a grinding halt by mid-day. Glaxo led the way losing 7p to 395p while B&T's slipped 5p to 235p. Unilever with third quarter figures due tomorrow lost ground following a bearish

report by market analysts. Most observers are pitching forecasts of pre-tax profits between £165m and £180m compared with £170m. As a result, the shares eased 2p to 458p. Elsewhere, Bechtel was 4p higher at 123p and ICI and Fisons lost 5p and 3p to 325p and 227p respectively.

On the bid front weekend announcement clipped 3p from EMI at 137p and 5p from its sister Thorn at 32p. News of the new offer by GEC 3p easier at 316p, for Aveyrs was not well received and the shares reacted by the same amount to 250p.

Costain Group's latest acquisition in Australia also failed to capture market sympathy and the shares retreated 4p to 132p. Other acquisition news to upset the market came from Fescos Mining 5p off at 144p, Brent Chemicals 3p lower at 206p and Senior Engineering's £10m US deal which clipped 1p off the price at 19p.

Disappointing interim figures left King & Shaxson 2p easier at 58p and Western Motors 5p lower at 105p. But the market was certainly more pleased with interim reports from Seacombe Marshall and Camplen and Norwest Host so the shares climbed 20p to 200p and 17p to 108p respectively.

News of Trafalgar Homes's £100m property deal with BP failed to enliven the shares which duly dipped 2p to 513p. Further reaction to recent figures from Wolsey Hughes sent the shares reeling 18p to 244p.

In Electricals early gains in Automated Security, following weekend comment, was soon erased and finished the day Electronic proved a bright spot on buying in a thin market.

however, and the shares gained 5p to 145p. Electro-components and Decca both finished 5p off at 393p and 310p.

There is support for M. P. Kent, the housebuilder and property group ahead of the annual meeting at the end of the week. Profits in the year to June 30 rose 68 per cent to £135m but this year could see them reach £3m or so. Market capitalization is only about £75m. The shares are 74p.

Banks finished generally easier with Brown Shipley the only firm spot increasing 5p to 287p after becoming the first to raise its base rate 15p per cent. But the big four clearing banks all suffered further setbacks with Lloyds dipping 5p to 283p and National Westminster. Midland slipped 5p to 323p while news of Barclays dented the shares by 7p to 393p.

After a bright start oils finished weaker, following the poor reception given for BP. Shell finished 8p lower at 324p while Esso slipped 5p to 254p. Only Oil Exploration 20p firmer at 618p and Ultramar 18p stronger at 333p managed to reverse the market trend.

Gold shares looked slightly firmer with average gains of about 60 cents but in mines profit taking on speculation about Consolidated Gold Fields 8p from the shares to finish at 314p.

Equity turnover on November 9, was £75,967m (12,118 trades) according to Exchange Telegraph, were, Shell, BP, BP New, ICI, National Westminster Bank, Burma, Ultramar and GEC.

Latest results

Company	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Int of Fin	—	—	—	—	—	—
Clydesdale (F)	—	2,212.1	2.1(2.0)	1.4(1.3)	16/1	2,15(1.9)
Norwest Host (I)	89,4(52.4)	2,412.17	26.2(23.7)	1.3(1.59)	7/7	—
Warner Zols (I)	5,0(4.6)	0.35(0.32)	0.4(0.35)	4/2	—	—
Western Mtr Ltd (I)	17,2(14.3)	0.46(0.36)	18.18(20.93)	1.43(1.43)	2/1	—
Young Cos Int (I)	—	0.29(0.22)	—	2.0(1.5)	28/12	—

Dividends in this table are shown net of tax on pence per share. Elsewhere in Business News are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net.

Bid sends Norwest shares leaping after shock loss

By Our Financial Staff

Shares in construction group Norwest-Holst jumped 17p to 108p yesterday on news that two directors who control 50 per cent of the equity are considering bidding for the remainder.

The bid approach from Mr R. Slater and Mr A. J. Lilley coincided with a shock announcement by the Norwest board of an extraordinary loss of £2m at the interim stage. Pre-tax profits of £2.4m in the six months to September 30 have been wiped out by the need to make emergency provisions of £4.4m on contracts being carried out by the Marshall-Andrew Group which Norwest-Holst acquired for an undisclosed sum last February.

Norwest's chairman, Mr S. E. Baucher, revealed yesterday that detailed investigations have shown up a number of contracts being carried out by Marshall-Andrew which "very adverse results" for which provision had not been made prior to the acquisition.

He said that the majority of the £4.4m extraordinary debit in Norwest's interim accounts

comprises the "unaudited additional goodwill provision" found necessary to build up forward loss reserves at Marshall-Andrew.

Mr Baucher refused to comment on the actual contracts concerned nor on whether his group was involved in any action against former Marshall-Andrew management.

However, he added that the extraordinary debit represented the "worst possible" view of contract losses and that his group was actively pursuing recovery of the losses.

A full takeover board has been on the cards for Norwest since Mr Lilley and Mr Slater took control of the majority of the equity via their private company, Dunham Mount Holdings, in 1977.

Speculation that such a move was imminent increased in September when Norwest's chief executive, Mr Ted British, quit the group after what was described as a dispute over policy. Last February Mr Brian

acquired a 25 per cent stake in Dunham Mount, thus taking an indirect interest in 14.5 per cent of the Norwest equity.

Mr Baucher said yesterday: "Mr Lilley and Mr Slater have always let it be known that this was their ultimate intention. At the moment, though, they have only given notice of their desire to enter into discussions."

Since Mr Brian took over as chief executive at Norwest in 1975 the group has gone from strength to strength, turning losses of £3.9m into a pre-tax profit of £5.4m last year.

In fact the 10 per cent jump in pre-tax profits to £2.4m compares with a jump of almost 70 per cent in turnover, largely representing the Marshall-Andrew acquisition.

The group has hoisted its interim dividend payment by a quarter to make 2.85p gross and the board states that it is confident of its ability to maintain progress subject to any further dramatic reductions in the construction industry workload.

Senior Engineering in £5m expansion move in US

By Our Financial Staff

Senior Engineering, the Watford-based industrial products group has made £5m takeover to provide a springboard for further expansion in the United States.

The group has acquired the Boiler Tube Company of America from the privately-owned Lockhart Iron and Steel Co for a total consideration of \$10.525m.

Boiler Tube is a stockist and manufacturer of steel tubes and fabricator of welded panel spares for combustion chambers, superheaters and economisers for boilers. Its operations are based at McKees Rocks, Pennsylvania and at Lyman, South Carolina.

Of the cash total Senior is paying \$8.95m represents the

cost of the capital stock of the company and the remaining £1.57m is an interest-free loan to Lockhart.

In the year to September 30, Boiler Tube made net sales of \$12.15m (£5.8m) and net income after taxes of \$748,000 (£360,000).

At that date net tangible assets stood at \$4.66m (before deducting debt to Lockhart).

At the less balance sheet date Senior said that the takeover had been financed by

Senior's managing director, Mr G. R. Newson, said yesterday that the takeover fit well with the group's economic business in the United States while complementing United Kingdom activities and

expanding scope for the group's products in the United States engineering markets.

Senior has been looking at takeover opportunities for some time. At the end of last year it paid £370,000 cash for Blackpool-based exhaust systems group David Worthington. Earlier this year it made an agreed share bid worth almost £1m for General Engineering Co (Rackliffe) but withdrew the offer after investigations into the company failed to satisfy the Senior Board. General Engineering has since called in a receiver.

Senior itself last month reported a drop in first-half pre-tax profits from £2.73m to £2.42m blaming severe industrial disruption at the beginning of the year.

Citicorp raising \$300m loan

Citicorp Overseas Finance Corporation, guaranteed by Citicorp, \$300m loan due in 1984, interest is calculated monthly at the average of the bid and offered rate for three-month interbank Eurodollar deposits and is paid quarterly at par, by Credit Suisse-First Boston.

Industrial Bank of Japan Finance Company, NV, guaranteed by Industrial Bank of Japan, \$50m, due 1987, semi-annual interest at 0.25 points above six-month interbank Eurodollar offered rates, par, minimum interest 5.25 per cent, Morgan Stanley International and IBJ International.

Bergen Bank, \$25m, due in 1989, quarterly interest at 0.25 points above three-month interbank Eurodollar offered rates, par.

Euromarkets

minimum interest 6.0 per cent par, credit Suisse-First Boston, November 14.

Norwegian Kommunalkasse, guaranteed by Norway, DM150m marks, due 1994, 8.5 per cent; retirement in 10 equal installments starting 1984 to give 10.5 year average, life Westdeutsche Landesbank, FOREIGN ISSUES.

Sweden, \$100m, due 1984, and \$100m, due in 1999, Solomon Brothers, week starting November 19. European Economic Community, \$90m, due 1989, Morgan Stanley and Company.

Volvo raises 500m Luxembourg francs

AB Volvo, 500m Luxembourg francs, due 1987, 9.75 per cent at par, Kredietbank SA Luxembourg, November 16.

Mortgage bank of Denmark, guaranteed by Denmark, 25m European units of account (1 EUR equals 2.9379 DM), due November 22, 1991, 9.0 per cent at par, sinking fund starts 1982 to give 9.25-year average life, Kredietbank SA Luxembourg, November 16.

The volume of scheduled Eurobond issues totals about the equivalent of \$517m compared with \$181m a week earlier.

Aveyrs' fresh broadside at GEC's £98m bid

Aveyrs the Birmingham-based weighing machine group which is the subject of an increased £98m bid from GEC, is making its profit and dividend forecast today and responding to the new bid, worth 26p a share compared with GEC's original price of 24p.

Acceptances for GEC's offer, originally made in September, now stand at 9.5 per cent after creeping up from 5.1 per cent.

The new offer is unlikely to satisfy Aveyrs, which according to city analysts, is predicting full-year profits of £16.75m against 1978's £15.6m. Mr Richard Hale, chairman, will stress that the group would have made a profit of £19m pre-tax, but for the effects of the summer engineering strike. The

first half's £7.17m profit was also hit by the road haulage dispute and the increase in the strength of sterling.

There is less certainty that Aveyrs will follow last year's pattern and raise the dividend substantially to fight off GEC's bid. But what was first mooted a year ago, but there are suggestions of a 20 per cent increase, making a total of 16p gross. In 1978 the total went from 8.8p to 12.8p gross.

Cope Allman outlook

In his annual report, Mr L. J. Mansson, the chairman of Cope Allman International, says that in view of uncertainties arising from industrial relations, oil price rises and the likelihood of significant fluctuations in current currency alignments, it would be premature to make firm predictions on the current year's results. Given relative industrial peace this winter, however, Cope should extract the full benefit of investment made in new plant.

Bridgewater Inv

TV expansion

Mr P. A. W. Rudd, the chairman of Bridgewater Investment Trust, reports that the company's projections for the television companies recently acquired is to reach a chain of about 6,600 subscribers by the end of next year. There are over 4,200 subscribers at present, providing net asset values of over £250,000, which

would rise to £400,000 on the company reaching its objective. Since the company is no longer an investment trust, the board proposes to change its name to Ascot TV Rentals (Holdings).

Action on costs at Walker & Homer

In the annual report of Walker & Homer, Mr G. R. Walker, the chairman, reports that the board is acutely aware of the group's need to further reduce costs and a review has been made of the whole manufacturing operation. A plan of action has been drawn up, the first stage of which has started. There was no dividend for 1978-79, but the chairman says that shareholders can "rest assured" that dividends will be resumed as soon as circumstances allow. Walker makes upholstered furniture.

Clydesdale Investment makes scrip issue

Pre-tax revenue of Clydesdale Investment Co rose from £2.1m to £2.21m in the year to September 30. With earnings per share up from 2.0p to 2.15p, the total gross dividend is being lifted from 2.85p to 3.07p gross. A scrip issue is proposed on a one-for-two basis on the ordinary and "B" ordinary shares, if the issue is approved, the board will pay an interim on the bigger capital of 0.71p gross, against 0.66p (adjusted).

RETAIL SALES

The following are the figures for the volume and value retail sales released by the Department of Industry.

	Sales by volume (1971=100)	Sales by value (not seasonally adjusted) % change on year earlier
1978		
3rd qtr	110.7	+14
4th qtr	111.7	+14
1979		
1st qtr	110.3	+13
2nd qtr	118.7	+17
3rd qtr	116.1	+18
AUG	111.5	+13
Sept	110.0	+14
Oct	111.1	+15p

r revised provisional

INDUSTRIAL OUTPUT

The following are the index numbers for industrial production in September seasonally adjusted, released by the Central Statistical Office yesterday (1975=100).

	Total Industries	Total manufacturing Industries
1978		
Sept	110.8	104.4
Oct	109.3	102.5
Nov	108.9	102.8
Dec	111.6	103.9
1979		
Jan	108.7	93.3
Feb	111.8	104.5
March	113.1	107.5
April	114.2	108.7
May	115.4	107.1
June	117.9	110.8
July	118.4	107.9
Aug	111.6	101.4
Sept	110.0	99.0

% rise in latest 3 months over previous 3 months -2.7 -4.9

New rules at Lloyd's in wake of the Sasse affair

By Richard Allen

Insurance correspondent

Details of new deposit regulations for syndicates operating in the Lloyd's insurance market are scheduled to go out to underwriters on Friday.

The new requirements have remained a closely-guarded secret since Lloyd's chairman, Mr Ian Findlay, first referred to the particular changes in an address to members last week.

A Lloyd's spokesman said yesterday that the new regulations represent only minimal changes to existing rules. These broadly require underwriting members to deposit sums with the exchange amounting to one-tenth of their share of all premiums written by their particular syndicate.

However, in some quarters of the market the new rules are seen as a major step by the committee to tighten controls covering the all-important matter of the underlying financial security of Lloyd's names.

The move, which is likely to involve closer and more regular scrutiny of individual members' personal wealth have been spurred by one aspect of the complex and notorious Sasse affair. It has emerged that some of the 118 members of the suspended Sasse underwriting syndicate which faces claims of £20m cannot possibly meet individual bills which could amount to £200,000 at the end of the day.

A large part of the claims involved in the Sasse affair are currently being disputed by syndicate members who are alleging that fraud has involved in one particular line of business and that there were discrepancies in controls at Lloyd's covering the soundness of certain intermediaries.

However, if after a period of arbitration — which is yet to officially start — it is found that the Sasse syndicate is responsible for all the claims the relative financial weakness of a few of its members could be acutely embarrassing for the market. Although any shortfall would ultimately be met from the market's special reserve fund such a development would obviously impair the reputation of an insurance exchange founded on the personal wealth of its 18,000 members.

Meanwhile the working party headed by Sir Henry Fisher, which is looking into all aspects of the running of Lloyd's is understood to have moved on to a close study of the exchange's by-laws with a view to recommending sweeping changes in disciplinary rules contained in market Acts dating back to 1871 and 1881. At the moment the Lloyd's committee is proceeding against several parties including former Sasse head Mr Frederick Sasse, under the 1871 Act which incorporates grounds for life expulsion from the market. Under the 1881 Act firms and members can be suspended for a period of two years.

Because the penalties under both acts are so severe the Lloyd's committee is obliged to take the utmost care that all parties involved in a breach of by-laws get a fair hearing with the result that procedures have appeared cumbersome and unwieldy during the recent spate of controversies in the market. Hearings under the Acts involve a highly complex series of investigations and the appointment of arbitrators by all parties concerned. In fact official moves on the Sasse affair are still being delayed partly because Mr Frederick Sasse has so far refused to appoint an arbitrator to act for him.

Brent Chemicals acquisition

Brent Chemicals International has paid £510,000 for Tri-Kem, which manufactures and markets chemicals for the metal finishing industries in Britain and Europe. The acquisition will be financed by £330,000 cash and 133,000 shares.

Tri-Kem's sales amounted to £1.3m in the year ending July 31, 1979. Pre-tax profit was £88,000 during the period but would have amounted to £130,000 if "current remuneration arrangements had been in force," says Brent. Tri-Kem's net assets are valued at about £230,000.

Interbanca DM150 live bond issue

Medium-term credit bank Interbanca says it has launched a DM150m live 13 per cent five-year bond issue, priced to yield 14.1 per cent in line with a new ceiling on bond yields for new issues by medium-term banks recently set by the Bank of Italy.

Bonds will be redeemed by equal capital repayments on each bond, in four yearly stages starting from the end of the second year—Reuter.

Lawtux Ltd

Manufacturers of Clothing and Umbrellas

YEAR ENDED 30th JUNE	1979	1978
Turnover	£14,774,651	£12,458,551
Group Profit before Interest	£562,255	£544,159
Profit before taxation	£212,788	£501,965
Profit after taxation	£382,222	£470,218
Share Capital	£500,000	£500,000
Dividends	£3,050,522	£2,739,550
Earnings per share	14.25p	13.89p
	19.1p	23.5p

Mr G. M. Schaefer, the Chairman, reports:

- * Turnover increased by 18.6%.
- * Exports up from £2.87m to £4.3m—29% of total turnover.
- * Dividends 3.56p per share—covered 4.1 times.
- * Sales per employee increased by 22%.

Copies of the Report are available from the Secretary, Lawtux House, Holt Lane, Fallowfield, Manchester M13 9NL.

Engineering and Construction Equipment design and manufacture

Serving across the world enhanced by the energy with McKee

Highlights of the year	1979	1978
Turnover	£611	£587
Profit before tax	25.1	25.4
Net assets employed	137	102
Orders in hand at 30th June	1,583	1,240
Forward load at 30th June	1,063	760
Earnings per share	22.7 pence	19.5 pence

● The most important event of the year for Davy was the merger with McKee of the USA.

● A good year, with pre tax profits of £26.1m.

● Freedom from dividend restraint will allow us to distribute a more appropriate part of our earnings... an

Davy Corporation Limited, 15 Portland Place, London W1A 4DD

Rolingo

Annual Report 1978/9

Rolingo, one of Europe's largest investment trusts, comments on the world-wide investment climate in its latest Annual Report. It lists its portfolio and its principal purchases and sales and explains the reasoning behind these moves.

Copies of the Annual Report and an explanatory booklet are available from the Company.

Rolingo

DEPT. 2848, P.O. BOX 973 ROTTERDAM HOLLAND

FINANCIAL NEWS

Takeover Panel to investigate St Piran

By Our Financial Staff

Another chapter in the troubled story of St Piran started yesterday when the Takeover Panel announced that it was conducting an investigation into the Cornish tin mining and property group.

The Panel is looking to see whether a group of persons acting in concert has incurred an obligation under Rule 34 of the City Code to extend an offer to the remaining shareholders.

The identity of St Piran shareholders has been in question for some years and has been one of the main points of issue between the board of the company and a group of dissident shareholders.

A week ago shares in St Piran were suspended by the Stock Exchange because of the group's failure to supply details of its Australian interests as requested by the Stock Exchange. St Piran had been asked to issue a circular to shareholders explaining the relationship between the company and Mr Jim Raper, whose Hongkong-based company Gasco Investments controls a stake of just under 30 per cent in St Piran, and the company's interest in Australia, where there are plans to issue shares to St Piran.

Western Motor setback

Western Motor Holdings saw a sharp drop in profits during the first half because of the combined effects of last winter's poor weather and the road haulage dispute on its delivery division.

Pre-tax profits fell by 16 per cent to £467,000, while sales rose 20 per cent to £17.2m in the six months to June 30, 1979. Mr James Smyth, chairman, said that the division had suffered a further unexpected blow in the third quarter with the engineering strike and factory stoppages and that the group as a whole is unlikely to make a profit in the second half. Last year's profits dropped from 1977's record of £691,000 to £240,000.

The third quarter, has also

been affected by the prolonged Vanhail toolmakers' strike at Ellesmere Port, which is now in its fourteenth week. The group is currently responsible for the delivery of 55 per cent of all Vanhail production.

Second-half results will also be adversely affected by the effect of summer holidays, pointed out the group, whose first half results are traditionally better.

But trading figures for the retail motor division were "much better" than those of the corresponding period last year, added Mr Smyth.

The BL Cars franchise, which provides the mainstay of the division's activities, performed "remarkably well". The group recently acquired, through its

W. Mumford subsidiary, a Datsun franchise in Cheltenham for £188,000 cash and a new BL Cars franchise at Launceston, Cornwall, for £175,000, although these were not incorporated in the interim results.

The interim dividend has been maintained at 1.43p gross and the group said it hoped that it could recommend the same again final dividend of 2.07p at the year end "depending on results".

Interest charges amounted to £283,000 compared with £204,000 for the same period last year, while depreciation rose from £177,000 to £61,000. Earnings per share dropped from 20.35p to 18.18p.

Property sales provided £240,000 credit last year.

Call for changes in tax law

Mr Douglas Morpeth, partner in Touche Ross & Co. and former president of the Institute of Chartered Accountants in England and Wales, said yesterday that changes ought to be made in the application of capital gains tax. He told a conference on tax reform that costs should be index-linked, so that only real gains were subject to tax.

Mr Morpeth suggested that, to mitigate the increased administrative costs of indexing gains, small gains should be exempted from the tax altogether. He suggested an exemption limit of £10,000—which he said was only the equivalent of £2,500 in 1965—on gains in any one year. He also advocated abolishing capital gains tax on gifts, which should properly be the subject of tax on the donee.

Mr Morpeth recognised that the resultant yield from capital gains tax would be very low.

Warners Holidays' results stand still

by Alison Mitchell

Britain's only independent holiday camp operator Warners Holidays reports bumper bookings for the current year, but little of this has shown through in first-half figures.

For the six months to July 31, 1979, pre-tax profits remained almost unchanged at £356,000, against a previous £354,000. Turnover, however, has increased a tenth from £4.6 million to £5 million, though most of this stems from the increased cost of holidays rather than stepped-up bookings.

As such, with 12 per cent more people holidaying at Warners this year, the entire increase ought to be attributed to the group is likely to see full-year profits of around £1 million, against a previous £818,000.

Interest charges increased

from £85,000 to £129,000 in the first six months as Warners drew on a bank facility—thought to amount to several million pounds—to improve and modernize the holiday camp accommodation. This work has been in progress for the past couple of years, but with most of it now done, marketing manager Mr Dudley Clarke-Jervoise reports that borrowings have reached their peak.

As yet, the group has not decided how to develop its excess land. Although it has several parcels of land on its holiday camp sites, all with planning permission, no start has been made to develop the acres, or sell it on to a builder. However, Mr Clarke-Jervoise believes that it will probably be developed slowly but regularly by Warners.

The interim dividend has been increased by a third to 0.71p.

Ibstock's £5m 'rights' flops

A £5m rights issue launched by brickmaker Ibstock Johnson, last month has flopped. Shareholders have taken up only 44 per cent of the issue and with Ibstock's shares currently trading below the rights price of 65p the remaining shares are virtually certain to remain with the underwriters.

Ibstock's shares stood at 82p when the two-for-five issue was announced to help finance the £10m acquisition in July of American brick group, Glen-Gery.

A spokesman for Ibstock described the issue's failure as a casualty of current market conditions, although the rights call was not helped by the forecast of a 10 per cent profit fall to £4.5m pre-tax in the current year. The company blamed the expected setback on higher financing costs of the Glen-Gery takeover and continuing losses at its Belgium subsidiary.

AMEX wooing British investors

By Michael Priest

The American Stock Exchange has launched a campaign to attract British investment in its stocks, particularly energy companies, and to persuade UK companies to seek listings on the exchange.

Speaking at a seminar in London, yesterday, on AMEX's energy stocks, Mr Arthur Levitt, Jr, the exchange's chairman, said: "1980 will be a vintage year for US business". Disincentives to small investors will be reduced, and the medium and small companies which make up the majority of AMEX's 1,000 listings, will be attracted to the exchange. AMEX has never tried to attract UK investment or list

Levitt claims that these sectors are growing faster than any others in the US. He points out that the deregulation of oil and natural gas industries in the US means substantially increased earnings for such companies.

"AMEX has vastly outperformed other exchanges. The greatest growth takes place in our companies," he said.

Investors, said Mr Levitt, recognise that the US economy is "resilient and resourceful". But they want a new chip not blue chip stocks. Now that the pendulum has swung away from government—with the attendant danger of it dominating company financing—AMEX hopes to draw investors back into the market place.

many's largest reinsurer, is finding insurance business is being hit far more by natural catastrophes than a year ago, and since in Germany have worsened.

However, company plans to pay shareholders a bonus of Dm4.50 per share next April to commemorate its 100th anniversary, in addition to the unchanged Dm5 dividend to be paid from the 1978/79 results.

In fact the NEB has not confirmed that this holding will be put on the market, but many feel that despite the recent fall in the equity market, the Ferranti sale must go ahead if the board is to meet the Government's requirement to raise £100m by next April.

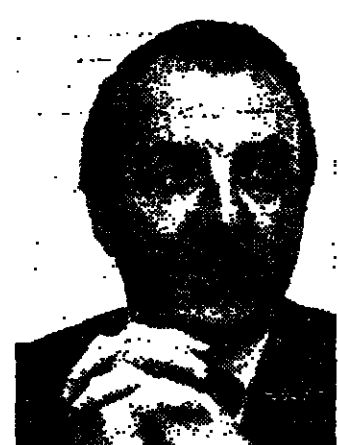
A fall in Ferranti profits this year could depress the offer price and give a potential buyer ample opportunity to top it with a bid.

Market forecasts are limited to static pre-tax profits of £9.9m for the year to March 31, 1980. But because the downturn in the equity and Charter Consolidated, many feel that the dividend could be raised from a previous 8.84p to 10.7p in the current period. On a share price of 357p this gives a prospective yield of 2.9 per cent which exactly matches GEC's historic yield.

Allowing an offer discount of some 10 per cent on the share

Ferranti

A dilemma for the NEB



Mr S. Z. de Ferranti

There is a wind of change blowing through the British electronics industry, and Ferranti, the electronics group, could be the next company it sweeps away.

With EMI now under offer from Thorn, other potential bidders, such as GEC, Racal and Hawker Siddeley, are turning their attention to the forthcoming NEB sale of its 50 per cent stake in Ferranti.

In fact the NEB has not confirmed that this holding will be put on the market, but many feel that despite the recent fall in the equity market, the Ferranti sale must go ahead if the board is to meet the Government's requirement to raise £100m by next April.

A fall in Ferranti profits this year could depress the offer price and give a potential buyer ample opportunity to top it with a bid.

Market forecasts are limited to static pre-tax profits of £9.9m for the year to March 31, 1980. But because the downturn in the equity and Charter Consolidated, many feel that the dividend could be raised from a previous 8.84p to 10.7p in the current period. On a share price of 357p this gives a prospective yield of 2.9 per cent which exactly matches GEC's historic yield.

Allowing an offer discount of some 10 per cent on the share

price to 322p the yield would rise to 3.32 per cent, hardly attractive given that the records of GEC and Ferranti are unworthy of comparison.

The NEB is apparently "weighing up every possible way of maximizing the return on the investment in very difficult conditions". Many take this to mean that the NEB may prefer an offer by tender to British companies rather than a straight sale of the shares in the market.

The NEB acquired a 62.5 per cent stake in Ferranti in 1974 as part of a £15m plan which rescued Ferranti after its £12m overdraft exceeded its bank facility.

Last year in a sparkling market debut this holding was reduced to 50 per cent after 2.66 million shares were offered to shareholders in a 1-for-3 rights issue at £1. These shares started trading at around 345p, and have since risen to 430p.

Before falling back, the market having seen substantial institutional selling at around 400p.

The other large shareholders are the Ferranti family, who account for over a quarter of the equity and Charter Consolidated, who have just under 5 per cent. Although Charter would not comment on any potential sale of its stake it is thought that its change of emphasis from a mining finance company to an industrial holding company may make it a willing seller. Certainly it did

not take the opportunity to increase its holding at last year's rights.

Meanwhile, if there is to be a bidder for Ferranti, Hawker Siddeley is the market favourite to make the first move, though GEC and Racal could also be interested.

Last year Hawker received the £50m compensation payment from the Government for the divisions lost to British Aerospace. This, together with the £49m repayment of loans and £5m dividend payments dramatically improved its balance sheet.

It is thought that Hawker's currently has some £90m of liquid assets.

Alison Mitchell

Rowntree in Holland

Rowntree Mackintosh, the United Kingdom confectionery group, has agreed to pay £6.7m (€16.7m) for Nuts Chocolate-Fabrik, a family-owned Dutch company.

Sir Donald Barron, Rowntree's chairman, described Nuts as "one of the leading confectionery manufacturers in Europe and said its acquisition would provide his company's European division with extra market penetration and range, especially in Germany."

In 1979, Nuts made profits of about £1m on sales of about £22m. Its assets are put at £5m. The company employs 390 people at a factory near Arnhem, which has recently been modernized and expanded.

Its main product is the Nuts brand, which is already distributed in France and Italy by Rowntree.

Nut's new managing director will be Mr J. L. Mackintosh, a main board member of Rowntree Mackintosh.

International

ASHLAND OIL. Ashland Oil's profits for its first fiscal quarter ending December 31, should be up substantially over last year's, chairman, Orin E. Atkins told analysts.

In year ago quarter, Ashland earned \$6.31 a share, or \$1.33 a share adjusted for a three for two split in December, 1978.

Mr Atkins said that last two quarters of 1980 should be good and would meet stated objective of the current 1979-80 year, a per cent gain in per share earnings from operations.

In the year just ended, Ashland earned \$1.50 a share, or \$1.50 a share adjusted for a three for two split and for repurchase of 15.5m shares during the year.

MUENCHENER RUECK. Muenchener Ruckversicherungs-Gesellschaft of W Germany raised net profit by 16 per cent to Dm54.8m in year ended June 30, but expects earnings to drop again in the current 1979-80 year. The company has told shareholders, Muenchener Ruck, West Ger-

many's largest reinsurer, is finding insurance business is being hit far more by natural catastrophes than a year ago, and since in Germany have worsened.

However, company plans to pay shareholders a bonus of Dm4.50 per share next April to commemorate its 100th anniversary, in addition to the unchanged Dm5 dividend to be paid from the 1978/79 results.

SOUTHERN BELL. Southern Bell Telephone and Telegraph Company of America, subsidiary of American Telephone and Telegraph Company, said it is offering \$500m of 40-year debentures to be made about December 4.

It said the offer will be negotiated with a group co-managed by Merrill Lynch White Wolf capital markets group, Morgan Stanley and Company and Salomon Brothers.

LOCAJET SA. Net profit of 14.11m francs (11.58m) in year ended August 31, 1980, dividend 15.75 francs (14.25).

Company is subject to a bid from Thorne Electric Industries of United Kingdom which has been submitted to France's Monopoles Commission.

CRA to take over BH South

Continental Resources of Australia, which is 68.2 per cent owned by Rio Tinto-Zinc, has agreed with Western Mining on terms for taking over BH South, the Australian iron ore and investment company.

The deal will substantially rationalise several Australian mining properties.

CRA and Western Mining were rival bidders for BH

South. But after Western offered one of its own shares, plus 50 cents cash for BH South, compared with CRA's offer of four shares plus Ous \$1.25 for every five BH South shares, CRA withdrew its bid.

The new arrangement is for Western, if its bid is accepted, to sell various parts of BH South to CRA for 19.3m CRA shares. The assets which will

In brief

EDWARD LE BAS. Edward Le Bas has purchased for cancellation £77,833.10 per cent convertible loan stock, 1981-86, company intends to make an offer to remaining stockholders in due course.

LINFOOD-GUNNESS FEAT. Guinness-Pearl have acquired 17,000 ordinary shares in Linfood Holdings and now hold 6.77m (26.93 per cent).

WALTER DUNCAN. Goodridge now holds 358,101 ordinary shares (14.08 per cent) in Lawrie Plantation Holdings.

SCOTTISH NORTHERN. Board of Scottish Northern Investment Trust states it should be possible to recommend an increase in year's total dividend, but no special payment will be made between interim and final dividends.

SCHLESINGER GILT FUND. Dividend, 0.68p, income, after tax, £28,000 (€281,000).

TUNE INVESTMENTS. Sir Brian Kellier has sold 2,510 shares at 272p each and 1.2L Phillips sold 1,980 shares at 272p.

YOUNG COMPANIES. Investment Trust's gross revenue for the year to September 30, £228,000 (€226,000). Interim dividend raised from 2.55p to 2.85p gross. Board

hopes it will be possible to recommend some increase in final.

MERGERS CLEARED. Following mergers not to be referred to Monopoles Commission, Ruckversicherungs-Gesellschaft of W Germany raised net profit by 16 per cent to Dm54.8m in year ended June 30, but expects earnings to drop again in the current 1979-80 year. The company has told shareholders, Muenchener Ruck, West Ger-

many's largest reinsurer, is finding insurance business is being hit far more by natural catastrophes than a year ago, and since in Germany have worsened.

However, company plans to pay shareholders a bonus of Dm4.50 per share next April to commemorate its 100th anniversary, in addition to the unchanged Dm5 dividend to be paid from the 1978/79 results.

SOUTHERN BELL. Southern Bell Telephone and Telegraph Company of America, subsidiary of American Telephone and Telegraph Company, said it is offering \$500m of 40-year debentures to be made about December 4.

It said the offer will be negotiated with a group co-managed by Merrill Lynch White Wolf capital markets group, Morgan Stanley and Company and Salomon Brothers.

LOCAJET SA. Net profit of 14.11m francs (11.58m) in year ended August 31, 1980, dividend 15.75 francs (14.25).

Company is subject to a bid from Thorne Electric Industries of United Kingdom which has been submitted to France's Monopoles Commission.

Mr. Paul Zetter forecasts another record year.

Year ended 31.3.79

Group turnover (before payments to winners and betting duty)	£21.23m up 11.4%
Profit before taxation	£1.39m up 33%
Profit after taxation	£823,000 up 29.3%
Dividend	1.9p per share
	Increased to 2.71p with associated tax credits up 40%
Earnings per share	8.49p up 29%

Points from Chairman's Statement:

- In spite of the exceptionally bad weather of last winter, both the pools and bingo divisions have contributed to the record profits.
- Both divisions are currently trading well and another record year is anticipated.

ZETTERS GROUP

Mr. R. C. Thornton has been elected chairman-designate of Debenhams in succession to Sir Anthony Burrey who is to retire next July. Mr Thornton is presently deputy chairman and chief executive.

Mr C. W. Newton has been made group managing director of Tupperware & Newall. He was previously managing director of the company's manufacturing operations.

Sir John Cockney is to succeed Mr M. S. M. Maxwell as vice chairman of Brooke Bond Lipton. Mr R. C. Cunningham, an executive director of The Royal Bank of Scotland, and Mr W. J. D. Macdonald, executive director of Williams & Glyn's Bank, are to join the board of The Royal Bank of Scotland Group.

Mr W. J. D. Macdonald has become a director of Prescott Underwriting and Management Services.

Mr G. D. J. Gwill has been made a director of Hammon Property and Investment Trust.

Mr R. A. Griffin, Mr D. A. Roper and Mr C. H. Hale have joined the board of Barco Dean.

Mr Edmund Bell is now sole chairman and chief executive of Guinness Peat Group. Lord Minto

Hoover Trust Fund raises Laundries stake

Hoover Trust Fund has purchased a further 50,000 ordinary shares of each in Provincial Laundries, taking their holding to 783,769 ordinary shares, or 9.1 per cent of the issued capital, from 8.5 per cent previously.

Hoover Trust is the largest single institutional shareholder in the Newcastle-based company, which has other plants and facilities in Leeds, Manchester, London and

Godalming (Surrey). Institutions now hold about 28 per cent of the issued capital of Provincial Laundries, with Meneith Investment Trust the second largest holder, itself having 5.5 per cent.

The £13m (1978) turnover office and industrial contract cleaning, laundries, garment rental and manufacturing company is currently involved in a contested bid for St. George's Laundry (Worcester).

Business appointments

Debenhams announces new chairman-designate

Mr R. C. Thornton has been elected chairman-designate of Debenhams in succession to Sir Anthony Burrey who is to retire next July. Mr Thornton is presently deputy chairman and chief executive.

Mr C. W. Newton has been made group managing director of Tupperware & Newall. He was previously managing director of the company's manufacturing operations.

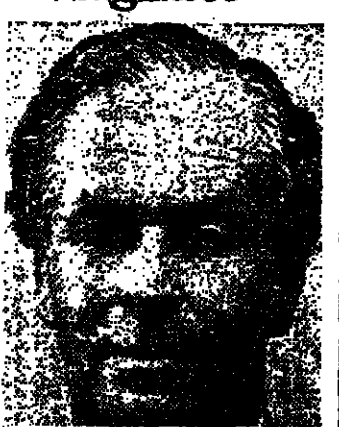
Sir John Cockney is to succeed Mr M. S. M. Maxwell as vice chairman of Brooke Bond Lipton. Mr R. C. Cunningham, an executive director of The Royal Bank of Scotland, and Mr W. J. D. Macdonald, executive director of Williams & Glyn's Bank, are to join the board of The Royal Bank of Scotland Group.

Mr W. J. D. Macdonald has become a director of Prescott Underwriting and Management Services.

Mr G. D. J. Gwill has been made a director of Hammon Property and Investment Trust.

Mr R. A. Griffin, Mr D. A. Roper and Mr C. H. Hale have joined the board of Barco Dean.

Mr Edmund Bell is now sole chairman and chief executive of Guinness Peat Group. Lord Minto



Mr R. C. Thornton

retired yesterday as joint chairman and has been appointed the company's first president. Mr C. Metcalfe has retired from the board.

As you were saying...

IDC

Prices on this page are now supplied by Exchange Telegraph's Epic system and are the last prices available from London stock market dealers yesterday evening. Various indices produced by The Times, including the index of 150 industrial stocks, are being reviewed and recalculated to cover the period of non-publication.



Sotheby's

FOUNDED 1784

Sotheby Parke Bernet & Co.
34-35 New Bond Street, London W1A 2AA
Telephone: (01) 493 8080

Tuesday 13th November at 10.30 am and 2.30 pm
FINE CHINESE EXPORT PORCELAIN, JADE
CARVINGS AND OTHER TREASURES
Cat. (218 illus.) £25

Wednesday 14th November at 10.30 am
MODERN BRITISH DRAWINGS, PAINTINGS
AND SCULPTURE Cat. (143 illus.) £25

Wednesday 14th November at 10.30 am
INEXPENSIVE WINES Cat. 50p

Wednesday 14th November at 10.30 am
MILITARY AND NAVAL CAMPAIGN MEDALS,
GALLANTRY AWARDS AND OTHER ENGLISH
AND FOREIGN ORDERS, MEDALS AND
DECORATIONS Cat. (19 illus.) £100

Wednesday 14th November at 2 pm
ANCIENT COINS Cat. (61 illus.) £100

Thursday 15th November at 11 am
BRITISH AND CONTINENTAL PEWTER AND
METALWORK Cat. (16 illus.) £5p

Friday 16th November at 11 am
ENGLISH FURNITURE Cat. (12 illus.) £1.25

Tuesday 20th November at 11 am
VALUABLE CONTINENTAL AUTOGRAPH
LETTERS AND MANUSCRIPTS Cat. (62 illus.) £200

Tuesday 20th November at 11 am
GOOD ENGLISH PORCELAIN AND POTTERY
Cat. (129 illus.) £4.50

Tuesday 20th November at 11 am
ARMS AND ARMOUR Cat. (17 illus.) £1.50

Sotheby's Belgavia

19 Motcomb Street, London SW1X 8LB
Telephone: (01) 235 4311

Wednesday 14th November at 10.30 am
SCULPTURE Cat. (212 illus.) £3.45

Thursday 15th November at 10.30 am
POT LIDS, GOSS, FAIRINGS, COMMEMORATIVE
AND STAFFORDSHIRE WARES INCLUDING
PORCELAIN FIGURES Cat. (30 illus.) 50p

Tuesday 20th November at 11 am
VICTORIAN WATERCOLOURS
Cat. (146 illus.) £1.85

115 Chancery Lane

(Hodgson's Rooms) London WC2A 1PX
Telephone: (01) 405 7238

Thursday 15th November and following day at 1 pm
CONTINENTAL ILLUSTRATED BOOKS
Cat. £2.00

Sotheby's International Art Diary 1980 now available at all our salerooms and offices at £9.00, or by post at £9.50 from

Catalogue Department, 1 Merrington Road, London SW16 1RG. Telephone: (01) 381 3173

West of England: Sotheby's Humber, Magdalen House, Magdalen Street, Taunton, Somerset TA1 1SB. Telephone: (0823) 68441

North West of England and Wales: Sotheby's Berford Adams, Booth Mansions, 28 Watergate Street, Chester CH1 1NP. Telephone: (0244) 48833

East Anglia: Sotheby's Parke Bernet & Co., Sidney House, Sussex Street, Cambridge CB1 1PA. Telephone: (0223) 676245

Cotswolds and West Midlands: Sotheby's Parke Bernet & Co., 18 Imperial Square, Cheltenham, Gloucestershire GL50 1QZ. Telephone: (0243) 510500

North East of England: Sotheby's Parke Bernet & Co., 112 George Street, Edinburgh EH2 4LH. Telephone: (031) 226 7201

Scotland: Sotheby's Parke Bernet & Co., 112 George Street, Edinburgh EH2 4LH. Telephone: (031) 226 7201

Ireland: Nicholas Nicholson, 35 Molesworth Street, Dublin 2. Telephone: (0001) 789 368



Tuesday 20th November at 11 am at Bond Street.
A printed broadside advertising the curative properties
of Hippopotami's teeth

Sotheby King and Chasemore

Station Road, Pulborough, West Sussex RH20 1AJ
Telephone: (07982) 2081

Tuesday 13th November and following two days at
10.30 am and 2.30 pm
PAINTINGS, PRINTS, MINIATURES AND
SILHOUETTES; SELECTED FURNITURE;
CLOCKS; SILVER; SELECTED JEWELLERY
AND BOUTIQUE Cat. £1.20

Wednesday 21st November at 10.30 am
ANTIQUARIAN AND MODERN BOOKS
Cat. 60p

Sotheby Bearne

Rainbow, Torquay, Devon TQ2 5TG
Telephone: (0803) 26277

Wednesday 14th November at 2.15 pm
CHINESE CERAMICS Cat. £1.00

Wednesday 21st November at 10.30 am and 2.15 pm
GEORGIAN VICTORIAN AND MODERN SILVER
Cat. £1.00

at Hopetoun House

South Queensferry, West Lothian, EH30 9SL
by kind permission of the Trustees of the Hopetoun
House Preservation Trust

Tuesday 13th November at 6 pm and 8 pm
SCOTTISH AND SPOTTING PRINTS
PAINTINGS, DRAWINGS AND WATERCOLOURS
Cat. (246 illus.) £3.00

Sotheby Parke Bernet A.G.

20 Bleicherweg, CH-8022 Zurich
Telephone: (1) 2020011

Tuesday 13th November at 10 am and following day at
10 am and 2 pm
FINE EUROPEAN SILVER, GOLD BOXES,
OBJECTS OF VERTU, FURNITURE AND RUSSIAN
WORKS OF ART Cat. £8.00

Tuesday 13th November at 3 pm
A FINE COLLECTION OF PORTRAIT
MINIATURES Cat. £4.00

Tuesday 13th November at 5 pm
CLOCKS AND WATCHES Cat. £4.00

Wednesday 14th November at 4.30 pm and following day at
10 am, 2 pm and 5 pm
FINE JEWELS Cat. £1.00

Wednesday 14th November at 8.30 pm
19TH AND 20TH CENTURY SWISS PAINTINGS
Cat. £3.50

Friday 16th November at 10 am
FINE CARPETS Cat. £4.00

Sotheby Parke Bernet

Monaco S.A.
P.O. Box 45, Sporting d'Hiver, Place du Casino,
Monte Carlo

Par le Ministère de M^{re} Th. Escart-Marguet, Huissier
à Monaco en association avec la Société des
Bains de Mer

The collection of the late Louis Cartier (the property of
the Heirs of the Estate of Claude Cartier) and other
owners

Sunday 25th November at 4 pm
IMPORTANT SCULPTURE OF THE 19TH AND
20TH CENTURY Cat. £5.50

Sunday 25th November at 9.45 pm
FINE FRENCH FURNITURE, CHINESE AND
EUROPEAN PORCELAIN Cat. £5.50

Monday 26th November at 2 pm
FINE FRENCH FURNITURE OF THE 18TH
CENTURY Cat. £5.50

Monday 26th November at 4 pm
FRENCH FURNITURE AND WORKS OF ART OF
THE 19TH CENTURY Cat. £5.50

Monday 26th November at 9.45 pm
IMPORTANT DRAWINGS AND PAINTINGS
INCLUDING PRINTED BOOKS FROM THE
ORNAMENTAL DRAWINGS FROM THE ODIER
COLLECTION, PARIS Cat. £5.50

Tuesday 27th November at 4 and 9.45 pm
IMPORTANT EUROPEAN SILVER
Cat. £5.50

Wednesday 28th November at 11 am, 4 and 9.45 pm
VALUABLE PRINTED BOOKS FROM THE
LIBRARIES OF THE LATE LOUIS CARTIER AND
THE LATE DR. ARPAD FLEISCH Cat. £5.50

Catalogue of the Cartier collection including books £7.00

Phillips

Tuesday 13 November 11am
FURNITURE, EASTERN CARPETS &
WORKS OF ART

Tuesday 13 November 1.30pm
BOOKS, MSS., & MAPS

Wednesday 14 November 11am
CHINESE & ORIENTAL CERAMICS &
WORKS OF ART

Wednesday 14 November 2pm
SCIENTIFIC INSTRUMENTS
Cat. Catalogue £1.25 by post

Thursday 15 November 11am
MUSICAL INSTRUMENTS
Cat. Catalogue 54p by post

Friday 16 November 11am
SILVER & GOLD BOXES, VINAIGRETTES
& A COLLECTION OF WINE LABELS
Cat. Catalogue £2 by post
See Illustration



A William IV silver box depicting an Abbot, by Taylor & Perry,
Birmingham 1835. To be sold by Phillips, 10, 11 & 12, 13

Monday 19 November 11am
FURNITURE, EASTERN CARPETS
& OBJECTS

Monday 19 November 11am
FINE WATERCOLOURS
Cat. Catalogue 74p by post

Tuesday 20 November 11am
FURNITURE, EASTERN CARPETS &
WORKS OF ART

Tuesday 20 November 1.30pm
FINE JEWELS
Cat. Catalogue £1.25 by post

PHILLIPS WEST 2
10 SALEM ROAD, LONDON W2

Thursday 15 November 10am
FURNITURE, PORCELAIN & WORKS OF ART
View: Wednesday 9am-7pm

Thursday 15 November 12 noon
MOTOR CARS, MOTOR VEHICLES,
AUTOMOBILES & AERONAUTICA
Cat. Catalogue £1 by post
View: Wednesday 9am-7pm
and Morning of Sale

PHILLIPS MARLBORNE
HAYES PLACE, LONDON NW1

Friday 16 November 10am
FURNITURE, PORCELAIN & OBJECTS
View: Thursday 9am-5pm

Phillips principal saleroom at
7 BLENHEIM ST. NEW BOND ST. LONDON W1Y 0AS Tel: 01 629 6602

London W1	West 2	Marlborough	Old	Knockin	Midland
01 629 6602	01 253 5005	01 733 3947	01 673 2324	01 544 5151	
01 253 3600	01 440 029	01 253 2366	01 544 3386	01 544 3386	

Catalogues 37p by post; viewing 2 days prior unless otherwise stated.

Members of the Society of Fine Art Auctioneers



8 King Street, St James's
London SW1Y 6QT. Tel: 01-839 9060
Telex: 916429 Telegrams CHRISTIART
London SW1

TODAY, TUESDAY, NOVEMBER 13 at 10.30 a.m. and
2.30 p.m.

Indian and Islamic Works of Art. Catalogue £1.45.

TUESDAY, NOVEMBER 13 at 11 a.m.

English Drawings and Watercolours. Catalogue £1.45.

WEDNESDAY, NOVEMBER 14 at 11 a.m.

Important Jewels. Catalogue £1.10.

THURSDAY, NOVEMBER 15 at 11 a.m.

English Furniture. Catalogue 85p.

THURSDAY, NOVEMBER 15 at 11 a.m.

European Rock and Champagne. Catalogue 55p.

THURSDAY, NOVEMBER 15 at 2.30 p.m.

Fine Eastern Textiles, Rugs and Carpets. Catalogue
£2.50.

FRIDAY, NOVEMBER 16 at 10.30 a.m.

British and Continental Pictures of the 18th, 19th and
20th centuries. Catalogue 65p.

MONDAY, NOVEMBER 19 at 11 a.m.

Fine English Porcelain. Catalogue £2.35.

TUESDAY, NOVEMBER 20 at 10.30 a.m.

Sculpture and Works of Art. Catalogue £1.45.

TUESDAY, NOVEMBER 20 at 11 a.m.

Art Nouveau, Art Deco and Studio Pottery. Catalogue
£1.10.

TUESDAY, NOVEMBER 20 at 11 a.m.

Important English Drawings and Watercolours. Cata-
logue 54.

OVERSEAS SALES

IN ROME

AT THE PALAZZO MASSIMO LANCELOTTI

THURSDAY, NOVEMBER 22 at 10 a.m.

Papal and Ancient Coins, Orders and Decorations.
Catalogue £2.

IN GENEVA

AT THE HOTEL RICHMOND

MONDAY, NOVEMBER 19 at 10.30 a.m. and 3 p.m.

Russian Works of Art. Catalogue £4.

MONDAY, NOVEMBER 19 at 6.30 p.m.

Fine and Rare Wines. Catalogue £1.

MONDAY, NOVEMBER 19 at 9 p.m. and WEDNESDAY,
NOVEMBER 21 at 10.30 a.m. and 3 p.m.

Gold Boxes and Important Objects of Vertu. Catalogue
£4.

TUESDAY, NOVEMBER 20 at 10.30 a.m.

Fine Watches and Clocks. Catalogue £3.

TUESDAY, NOVEMBER 20 at 3 p.m. and 9 p.m.

Fine European Silver. Catalogue £4.

WEDNESDAY, NOVEMBER 21 at 8 p.m. and THURS-
DAY, NOVEMBER 22 at 10 a.m.; 3 p.m. and 8 p.m.

Magnificent Jewels. Catalogue £6.

FRIDAY, NOVEMBER 23 at 10.30 a.m.

Art Nouveau and Art Deco. Catalogue £2.50.

All catalogue prices are post paid.

All sales subject to the conditions printed in the
catalogue.

For details of sales at Christie's South Kensington,
please contact the art department.

Christie's South Kensington, 85 Old Brompton Road,
London SW7. Tel: (01) 581 2231.

COUNTRY PROPERTIES

DEVON, 4 miles Sidmouth. Impeccable

Period House surrounded by

National Trust land and only

100 yards from the cliffs. Chas-

ing room, 3 reception rooms, 4 bed-

rooms, child's bedroom, bath-

room, 0.5 G.A. Gaillard, 4 acres

and 1000 sq. ft. of garden. 1000

sq. ft. of garden. 1000 sq. ft. of

garden. 1000 sq. ft. of garden.

1000 sq. ft. of garden. 1000

sq. ft. of garden. 1000 sq. ft.

of garden. 1000 sq. ft. of

garden. 1000 sq. ft. of garden.

1000 sq. ft. of garden. 1000

sq. ft. of garden. 1000 sq. ft.

of garden. 1000 sq. ft. of

garden. 1000 sq. ft. of garden.

1000 sq. ft. of garden. 1000

sq. ft. of garden. 1000 sq. ft.

of garden. 1000 sq. ft. of

garden. 1000 sq. ft. of garden.

1000 sq. ft. of garden. 1000

sq. ft. of garden. 1000 sq. ft.

of garden. 1000 sq. ft. of

garden. 1000 sq. ft. of garden.

Glendinings

Specialists in the Sale by Auction of Coins and Medals

7 Blenheim Street, New Bond Street, W1Y 8LD Telephone 01-493 2445

Wednesday & Thursday, 21st & 22nd November at 11 a.m. each day

ENGLISH & FOREIGN COINS

IN GOLD, SILVER AND BRONZE

(Illustrated Catalogue 10 Plates—Price £1.)

Thursday, 6th December, at 10 a.m.

ANCIENT, ENGLISH AND FOREIGN COINS

IN GOLD, SILVER AND BRONZE

(Illustrated Catalogue 14 Plates—Price £1.)

Catalogues for further Sales of Coins and Medals to be held in

the Winter Season are now in course of preparation. In mid-

February we will be offering a fine collection of Continental Medals

including one large and four small gold Medals to the Royal

Norfolk and Northamptonshire Regiment together with the

properties of British Orders of Merit and Medals. Collectors

of coins and medals should contact Glendinings & Co. for details

of the Commission of 10% open to negotiation on Collections

CASH ADVANCES readily available.

Commission NOT charged to Buyers.

DAWSON RARE BOOKS

16 & 17 Pall Mall, London, SW1Y 5NB

ISABELLA & MICHAEL

MORTON-SMITH

(formerly with Sotheby's Book Dept.)

have joined us

adding to our wide range

of subjects

A DEPARTMENT OF MUSIC

(both Manuscript and Printed)

THEATRE, DRAMA, FESTIVITIES & BALLET

Additional emphasis will also be given to our

holdings of

EARLY CONTINENTAL BOOKS

Bonhams

Montpelier Galleries,
Montpelier Street, Knightsbridge, London SW7 1HH
Tel: 01-584 9161. Telex: 910477 Bonham G.

Thursday 15th November at 11 am.

FINE 17TH CENTURY DUTCH FRAMES &
EUROPEAN OIL PAINTINGS Cat. 50p.

Thursday 15th November at 2.30 pm

ENGLISH, CONTINENTAL & ORIENTAL
FURNITURE incl. 18th C. Normandy oak
dresser; set of 6 Geo. III walnut chairs; good
Geo. II mirror; Chinese lacquer cabinet on
stand; good Chinese rosewood altar table;
Victorian giltwood & malachite centre table;
Cat. 110 p. mahogany drop leaf dining table. Cat.

